

**THE GROWTH OF CAPE TOWN COMMERCE AND THE ROLE OF
JOHN FAIRBAIRN'S ADVERTISER (1835-1859)**

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Abstract

This thesis basically traces the expansion of commerce in Cape Town with particular reference to company growth from 1835 to 1859.

Situated within the field of economic history, the nature of the study is primarily economic, though it attempts to avoid any narrow economic determinism, accepting the basic premise that the most useful method remains an inter-disciplinary approach. The content, however, acknowledges the importance of class in historical interpretation. The commercial bourgeoisie (defined as wholesale merchants, wholesalers-retailers and financiers) thus assumes a central place in discussion here.

Yet, inextricably bound up with the history of commerce during the period is the editorial role of John Fairbairn. This connection was immediately apparent, once one began reading Cape Town's leading newspaper, the South African Commercial Advertiser, of which Fairbairn was sole editor between 1835 and 1859. His comments in the paper's editorial columns reveal his intense interest in and his identification with commercial developments. His commercial orientation, whether in debates concerning the advantages of free trade, slave emancipation, the usury law, joint-stock companies or in his reporting of relevant extracts from overseas newspapers, government economic statistics and company reports, led to the coupling in this thesis of the role of John Fairbairn with the history of commerce. Indeed it is the years of Fairbairn's sole editorship which provided one of the most important reasons for the chronological framework employed in the study, viz. 1835-1859. Despite the importance with which historians regard Fairbairn, it is surprising how little his role in the economic sphere has been acknowledged, when considering the vigour of the economic campaigns he conducted in his newspaper.

Chapter One traces economic and commercial developments in the Cape prior to 1835, by way of introduction. Chapter Two details the substantial economic and commercial progress achieved in the aftermath of slave

emancipation and compensation, boom years in the colony's history. Chapter Three traces commercial and company developments in the remainder of the period, 1840 to 1859. Chapter Four focuses on social and political developments within the commercial bourgeoisie during the same period and the relationship of this sector to the farming bourgeoisie in the era of representative government. Events at this time are seen as a culmination of economic, social and political processes which had been unfolding in the preceding decades. Fairbairn's key political intervention in attaining representative government forms an integral part of the discussion.

The basic source utilised was the Advertiser, Fairbairn's newspaper. Recourse was also made to the Zuid-Afrikaan, as organ of Dutch/Afrikaans middle class opinion. Numerous official and unofficial manuscripts were examined. Use was made of official publications, as well as companies' privately-held archives.

The information gathered led to a number of conclusions concerning the unacknowledged extent of commercial progress achieved during the period, especially with regard to company growth and related infrastructural developments in the area of company legislation. Trends in the period highlighted and in fact confirmed the contradictory nature of merchant capital and its representatives, the commercial bourgeoisie, in the spheres of slave relationships, dependence on overseas short-term credit and in the attitude adopted by the commercial bourgeoisie to the farming sector. Merchant capital's strengths on the other hand were strikingly evident in its contribution towards the spreading of market structures, commodity production and the stimulating of company development. In no one were both the strengths and weaknesses of merchant capital, as outlined above, better reflected than in John Fairbairn, though a neat identification of Fairbairn with the interests of merchant capital has been avoided and a more refined interpretation presented instead.

By the end of the period covered in this thesis, Cape Town had evolved from the 'sleepy hollow' it had been in the 1820s to a bustling port and centre of commerce. In these processes, Fairbairn through the medium of the Advertiser, had played a very considerable role.

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Abbreviations

SACA	<u>South African Commercial Advertiser</u>
CGHGG	<u>Cape of Good Hope Government Gazette</u>
CCGHBB	<u>Colony of the Cape of Good Hope Blue Book</u>
ZA	<u>Zuid-Afrikaan</u>
CA	Cape Archives
SAL	South African Library
UCT	University of Cape Town
SABP	South African Bound Pamphlets

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I would like to express my appreciation to my supervisor, Professor Ian Phimister, for his advice and the many guidelines he provided throughout the preparation of this thesis and to Peter Stuckey for all his devoted endeavours, which consumed so many hours, in trying to make me computer-literate. And to my late father, Jack Meltzer, who long ago turned my attention to the subject of economic history, at a time when the Economic History Department at the University of Cape Town was still only a subsidiary of the Economics department, I owe a word of gratitude. Finally, I would like to thank Marcelle Kooy for the repeated encouragement she gave to me to re-enter economic history after a period away from University.

INTRODUCTION

Aims and justification

In the era before the advent of the mineral revolution and manufacturing, commerce and agriculture represented the two main sectors of the bourgeoisie at the Cape. Certainly, by the end of the 19th century the commercial bourgeoisie constituted a very influential sector. Analysing class relationships and the nature of the state in South Africa in the mining period towards the end of the 19th century, Bozzoli attributes a key role to import-export commerce. "Mining", she argues, "may have become the foundation for the imperial network of economic relationships, but import-export commerce was its central pivot, forming the indispensable link between the South African and the imperial economies." (1) Similarly, Marks and Trapido have recently stated:

In the 1870s at the beginning of the mineral revolution, South Africa was a geographical expression. Precapitalist and capitalist modes of production existed side by side, as did state forms of varying size with their own ruling groups and systems of exploitation. There were two British colonies, two ostensibly, politically independent republics and numerous still autonomous African polities...[But] Whatever their political and economic differences in the second half of the nineteenth century, all the people of southern Africa existed to a greater or lesser extent under the hegemony of a mainly British merchant capitalism and a British imperialism. (2)

But while the importance of merchant capital and the commercial bourgeoisie in the shaping of modern South Africa has frequently been acknowledged, scholarly investigation of their origins and growth in the period before the discovery of diamonds and later gold, is still in its infancy. This study, therefore, traces economic developments in Cape Town from the mid-1830s to the 1850s, providing an introductory sketch of the period preceding 1835. Its particular focus is the growth of commerce and the spawning and subsequent expansion of a commercial bourgeoisie. It attempts to make concrete the growth of one of the very important aspects of the classes and capitals, which under an imperial hegemony came to form the territorial conglomeration known as South Africa. Yet, despite the potential strength to be drawn from a linkage of interest between a hegemonic, imperial merchant capital and local (Cape) import-export com-

merce, orientated to Britain, the commercial bourgeoisie at the Cape did not necessarily occupy a dominant, nor an unchallenged position in political terms, a tendency already apparent in the period under discussion. (3)

Access to developments in the period is provided by the commercial role of John Fairbairn, editor of the first private newspaper in South Africa, the South African Commercial Advertiser (henceforth the Advertiser). The start of his sole ownership of the paper in 1835 serves as a point of departure, while his retirement from the newspaper in 1859 acts as the terminal point of this discussion. (4) As will become clear, the importance of his role leads to his treatment as an integral part of events at the Cape. He helped shape them and they in turn shaped him. His role as intellectual exponent of the broad ideological needs of commerce provides the common thread of the present argument. Questions of the nature and role of the commercial bourgeoisie are often resolved by reference to his utterances in the Advertiser or to his political role as, for instance, in the fight for self-government. Consequently, the task of the study widens to become an examination of the commercial bourgeoisie, coupled with an assessment of the role of John Fairbairn, as ideological exponent of that bourgeoisie. (5)

This thesis spotlights the growth of an essentially ruling class group in South Africa, which may at first seem to follow a direction opposite to current historiography. In his International Business in the Nineteenth Century: The Rise and Fall of a Cosmopolitan Bourgeoisie (1987), Charles Jones in fact made this precise point, with regard to his own choice of subject. He observed that historiographical trends in recent decades, particularly evident in writings on Asia, Latin America and Africa, have been an "enthusiasm for neglected classes and downtrodden nationalities". This he attributes to "a reaction against national and imperial historiographic traditions which were unashamedly Eurocentric". (6) South African history too has been subject to fresh inputs and interpretations, which reflect a

new concern with the internal dynamic of pre-capitalist social formations, as well as the experiences of ordinary men and women under capitalism. These certainly have helped to rectify the failings of previous South African studies, which were either biased towards the history of white colonists, or, at best, pointed to interconnections between the different peoples and systems in southern Africa. (7) Perhaps one of the earliest and most useful formulations of this new approach in the South African context was the introduction by Shula Marks and Anthony Atmore to a collection of essays on the history of pre-industrial South Africa. They declared their objectives to be the exploration of the historical experience of all South Africa's peoples "not only at their points of 'interaction', but also in terms of the internal dynamic of their various social formations and their articulation with the 19th century world economy." (8)

Such a formulation does not amount to a faddish rejection of a particular 'settler' ruling class as a focus of study, nor does it imply a disinterest in the history of the more advanced urban centres of colonial capitalism, e.g. the Western Cape and its capital Cape Town, subjects which indeed remain surprisingly poorly researched. The authors merely caution against treatment of any particular class in isolation from others and encourage a view of Cape society in terms of a "total history" (interdisciplinary) approach, especially one which takes into account the context of international economic developments. With this in mind, the present study attempts an analysis of the internal dynamic of merchant capital by focusing on the commercial bourgeoisie, encompassing within its ambit the other main sector of the bourgeoisie, the farmers, the emerging rural proletariat in the wake of emancipation, as well as the context of the growth of the world economy in the 19th century. Yet, the objective of this thesis remains undeniably economic in nature, to trace the objective economic conditions which gave rise to the creation of a commercial bourgeoisie and to chart the growth of commerce (including companies) in

Cape Town. It does not attempt a social analysis of the commercial bourgeoisie, nor a reconstruction of Cape Town's social history, though inevitably such aspects are drawn into the discussion. (9)

In assessing the importance of the commercial bourgeoisie, this study examines their contributions in a number of economic and political spheres. Their role in expanding trade and markets, their accumulation of capital as a factor in company formation and their acquisition of financial skills, aiding in the establishment of credit and finance houses are all extensively discussed. (10) The part they played in creating an economic and legislative infrastructure necessary for the further expansion of capitalism is also examined. (11) Their particular contributions in the constitutional and political sphere are traced as well. Their role, for instance, in the 'popular' fight for self-government proved to be an important one. (12) Finally, their participation in the events surrounding the passing of the Cape parliament's first Master and Servant Law in 1856, their impotence in opposing the measure demanded so voraciously by farmers, leads on to a discussion of the contradictory nature of merchant capital. (13) The almost instant success of the Master and Servant Law in the new Cape parliament contrasted starkly with the non-racial franchise, on which in theory, at least, the new parliament was based. Of this law Saul Solomon, liberal member for Cape Town remarked in 1859 it "was a most oppressive law towards the servant." (14) As Lewsen has indicated, drawing on the Simons' and Bundy, the Master and Servant laws in the course of their history were in practice amended to impose special punishments for black offenders. (15) A tradition of illiberal and racially oppressive legislation was thus concomitantly cemented by the first parliament. Such contradictory tendencies and strategies of the commercial bourgeoisie were to affect the course of future decades of South African history, in the spheres both of capitalist growth and the institutionalizing of racism in Cape society. As Kay has thus aptly remarked of merchant capital in general: "its [merchant capital's] revolutionary edge is always blunted by

this conservative bias." (16)

The course of discussion in turn poses other related questions. The problem of sources of capital during the period is examined, in an attempt to establish the relative importance of local accumulation and overseas capital, particularly with reference to the flowering of joint-stock companies at the Cape at the time. (17) Political campaigns in Britain, led by middle class representatives of commerce and manufacture, found their reverberation in campaigns conducted by the commercial bourgeoisie at the Cape. (18) The growth of a cosmopolitan trading bourgeoisie in the period before 1850 (19) was reflected in the colony in the establishment of a number of influential firms with branches in London, Cape Town and sometimes further afield. It also gave rise to the founding of a joint London-Cape body of merchants called the Cape of Good Hope Trade Society based in London. (20) Thus, a British-connected commerce was in the forefront of the commercial penetration of the colony. Local Dutch/Afrikaans inhabitants followed later. Tensions between these two groups were inevitably generated when the expansion of the economy during the 1830s and 1840s stimulated the development of locally-based layers of commerce. (21)

Terminology

Specific use of terms such as merchant, commercial bourgeoisie, and merchant capital has been employed in this study. As these terms tend to be used by different authors in a variety of ways with important analytical implications, they must be clarified at the outset. Merchant in the strict dictionary sense of the meaning, is defined as wholesale trader, especially one connected to trade with foreign countries. That this was the original meaning and in use at the Cape in 1822, is corroborated by W.W. Bird, a former merchant of Cape Town and afterwards Comptroller of Customs. (22) Describing the construction of the Commercial Exchange building, he notes:

At that moment no plan could be too magnificent for the rising self-importance of Cape merchants, and the Exchange was erected on a scale ridiculous if compared to the required purposes. However personally respectable many of this class of merchant may be, the nature of their trade is retail. The Honourable East India Company sell a single case of tea, two pots of ginger, and five pieces of calico or other goods. If such be the practice of these once imperial merchants, what can be expected from the minor traders? all of whom take out a retail licence, and dispose of their goods to an individual or to a re-retailer by the piece or the pair. [author's emphasis] (23)

R.B. Fisher in his description of the Cape's commercial environment in the same period declared: "With the exception of a very few British merchants, now settled in Cape Town, the people there, known by the name merchants, would in England be deemed nothing more than mere factors and salesmen. "

(24) R.W. Murray, journalist and editor writing about the merchants of Cape Town in the earlier part of the 19th century, reminisced: "Merchants then did not go outside the wholesale business; they did business in the lump and made money in like manner, which the present generation say is not to be done now-a-days." (25) The concept of merchant continued to imply a significant degree of status absent from trader - a perception persisting well into the century and the next in the term "merchant princes", applied to the Jagers and others, with their social and economic imperial ties of great strength. (26) The stricter meaning of merchant is thus applied in this study. The term is used either for an individual, clearly engaged in wholesale and importing activities, or collectively for that elite, identified as the rich layer of merchants involved in import-export, enjoying close links with metropolitan capital.

As connections between commerce and finance were intimate, evident in men of trade founding and joining local banks and other finance houses (27), the concept of commercial bourgeoisie includes the financial sector too. It will, however, not be as all-embracing as the definition employed by Kirk and repeated by Warren, in which the commercial (middle) class is defined to include representatives of commerce, as well as the farmers, the professional strata of the middle class, such as attorneys, accountants and even, according to Warren, artisans. (28) Nor will the under-

standing of merchant capital be limited mainly to that of import-export commerce. (29) In this study, therefore, the term merchant capital is used (in line with its definition of the commercial bourgeoisie), to include both commercial capital (wholesale and wholesale-retail trade) and money-dealing capital. (30) Such an understanding thus encompasses local commerce, though it does not thereby deny the centrally important place of the import-export sector in the economy and in the fabric of commercial life in Cape Town, in particular. However, the same overarching emphasis on merchant capital's dominating and reactionary comprador-style role at the turn of the 20th century, outlined by Bozzoli, appears, with the exception of the merchant elite, not to be reflected so strongly in the earlier period covered by this study. The more pronounced trend in this period is the expansion of local layers of commerce. (31)

3. Periodisation and geographical scope

Quite apart from Fairbairn's editorship, the timespan of this study is appropriate in other respects as well. The start of the period is roughly contemporaneous with the emancipation of the slaves throughout the British Empire (1834). That year also marked a victory for free trade, with the passing of an Act to abolish all the remaining trade privileges of the English East India Company, an important indicator of economic and political trends developing at that time in Britain.

Chapter One traces the economic and social origins of Cape Town's commercial bourgeoisie from small isolated beginnings up to 1835, the year Fairbairn took over sole ownership of the Advertiser. It serves as an introduction to the period covered by this study. The chapter sketches in broad outline the restricted nature of the economy, a heritage of Dutch mercantilist policies under the Verenigde Oostindische Compagnie and the initially very slow improvements in the wake of the British Occupations. The period also marked the arrival in Cape Town in 1823 of the Scottish

immigrant, John Fairbairn, and his immediate intervention in the process of political and economic reform.

Chapter Two, the start of the core period, covers the years 1835-1840, the aftermath of slave emancipation and the compensation payment. The importance of developments evidenced in this relatively short period, i.e. the substantial spurt to economic growth, the notable advance of market structures and the consolidation of new layers of the commercial bourgeoisie, were all reasons for assigning this period its own chapter.

Chapter Three details the extensive economic expansion which occurred between 1840 and 1859, as joint-stock companies mushroomed on the basis of locally accumulated wealth, while the final chapter examines the political growth of the commercial bourgeoisie over the same period (1840-1859), focusing on company legislation and the usury question, inter alia. Chapters Three and Four thus cover the same two decades. This relatively lengthy timespan and likewise the method of division of the period into two chapters, warrant some explanation. The take-off of merino wool farming at the Cape after 1846, set in motion significant growth in the Eastern and to a lesser extent the Western Cape. Yet, the economic aspects and developments discussed, such as local sources of capital, company growth and overseas capital, see only quantitative change or increase over the period to 1859. The pace of developments were such that no fundamentally important change occurred during the period. Such data is therefore best collated for the whole period, in order to gain a picture of the broad trends. A logical cut-off point is provided rather by the terminal point of the whole study itself. The year 1859 marked not only Fairbairn's retirement from the Advertiser, but witnessed the start of the first grave recession in the period after 1835. It also formed the prelude to crucial rulings and legislation affecting capital and company growth, such as the Supreme Court ruling on usury and the limited liability legislation, as well as the establishment of the first Imperial bank. (32)

The growth of the social and political power of the commercial and farming bourgeoisie is revealed particularly clearly during the Anti-Convict Agitation after 1848, culminating in the grant of self-government to the colony. With regard therefore to the political growth of the commercial bourgeoisie, the era of the first new parliament (1854-1859) also forms a convenient and more logical point of review. The absence of an earlier cut-off point as far as both economic and political aspects are concerned, and the resultant length of the discussion, led to the decision to divide Chapters Three and Four into economics and politics, respectively, rather than break them up chronologically. In so doing the necessarily integrated nature of these facets may perhaps have been obscured, but the connections are underlined in the course of the chapters, which hopefully serves to counteract the artificial effects of this separation.

Difficulties are also encountered with the narrow geographical focus on Cape Town. Naturally, economic developments in an urban centre such as Cape Town cannot be divorced, even on a theoretical level, from those of the rural hinterland (the Western Cape), nor for that matter from the colony as a whole. The limitation is taken into account in the study, by referring to general economic growth in the colony. Nonetheless, it cannot be ignored that Cape Town was still at this time the chief commercial centre of the colony and her merchants, financiers and traders could justifiably claim to be the leading members of the colonial commercial bourgeoisie, despite the Eastern Province's economic challenge by the 1850s. (33)

Sources

Whereas the period after the mineral discoveries in Kimberley and on the Rand has been dealt with in numerous published and unpublished works (34), the earlier 19th century economic history of the Cape remains comparative-

ly poorly covered. Although general historical and social studies of Cape Town are increasing (35), economic developments in the Western Cape during the first decades of the British Occupation remain particularly inadequately researched. The few exceptions are the excellent contributions by Arkin and Giliomee and most recently Rayner. (36) For subsequent decades, recent works have included Marincowitz's very illuminating thesis on wheat farming 1838-1888. (37) The importance of wool farming, the expansion of the Eastern Cape economy and the role of the Eastern Province gentry have been the subject of works by Le Cordeur, Kirk, Purkis and more recently Crais, while Mabin's economic geography of the colony from 1854 to 1899 has provided a valuable overview. (38)

The literature on commerce and companies (including banks), in the period, is even scantier. Immelman and Arndt prove the exception, though numerous popular works on companies exist. (39) Tony Kirk, Warren and Dubow have addressed themselves to studies most clearly topical to a study of the commercial bourgeoisie at the Cape in the early half of the 19th century. (40) Bradlow has in turn looked at aspects of their social history. (41) Trapido's treatment of the colony's first constitution (1853) and his examination of the social and political roots of Cape liberalism, remain outstandingly important contributions to an understanding of the relationship of class forces during the 19th century. (42)

Recent years have seen the publication by Botha of a biography on Fairbairn. This concludes in 1854, with the grant of representative government, some ten years before Fairbairn's death. (43) The value of this work is Botha's painstaking sourcing and its claim as the first full biography of Fairbairn. (44) Writers and historians have generally acknowledged the central importance of Fairbairn's political and editorial role, but have made no detailed study of it and have completely neglected discussion of his economic role, which as this study attempts to show, was of enormous importance. Botha has in general terms redressed the former failure and

very partially redressed the latter in a section of a chapter devoted to Fairbairn's economic contributions and 'new enterprises'. (45) The present thesis seeks not only to uncover in much greater detail the extent of Fairbairn's role in the economy, particularly commerce, but to integrate this with his political views, analysed within the context of Cape class relationships, in a way not attempted by his biographer. It hopes to go some of the way towards rectifying those failings in Botha's work identified by Trapido. He remarked recently: "This volume, clearly a labour of love, is immensely valuable for its biographical detail. Fairbairn's classical liberalism seems, however, to defeat Professor Botha and an understanding of Fairbairn's political economy requires a re-reading of his newspaper. Botha's unflagging scholarship provides a most thorough guide to the South African Commercial Advertiser." (46)

Arising out of the subject matter, therefore, the Advertiser forms the chief primary source throughout this study. From 1825, when Fairbairn took over sole editorial responsibility, to 1859, it remained his most powerful ally in his many political and economic struggles. As the leading English newspaper in the Western Cape at this time (47), the Advertiser was the foremost medium of information with regard to both economic and political events. While Fairbairn himself was not strictly a member of the commercial bourgeoisie - his profession was that of newspaper editor and owner - he nevertheless identified himself with commerce, initiating and lending support to commercial campaigns, as will be indicated in forthcoming chapters. A reflection of this is found in the content of the Advertiser, which conveyed commercial information in editorials; carried reports of government statistics, company annual reports and tables of company share prices; and published correspondence on commercial topics. The Advertiser's uniquely important role was expanded even further in a political direction after 1854. With the opening of the new parliament, Fairbairn began detailed reporting of parliamentary proceedings in the columns of the Advertiser. Indeed, in the period between 1854 and 1869, in

the absence of the Cape parliament's own publication of its debates, the Advertiser remains the only source for these very important discussions.

(48)

Though the Advertiser proved by far the most valuable, other primary sources were consulted. These included, inter alia, documents in the Cape Archives and in the manuscripts collection of the South African Library.

(49) Company records were also used. Records of the Cape of Good Hope Savings Bank, the South African Association for the Administration & Settlement of Estates (later Syfrets), the Board of Executors and the Mutual, have survived. While the Board's records are now safely housed in the University of Cape Town, the other records are held by the individual companies and must await both sorting and classification. They form an extremely valuable and largely untapped source for the economic history of the period. An effort was made to examine the records of the Savings Bank and the South African Association. Time-consuming and undeniably interesting as it was, systematic use of these and the other company archives, must await professional cataloguing. Finally, recourse was also made to the Zuid-Afrikaan, as a representative organ of Dutch/Afrikaans middle class opinion. (50)

To conclude, while the economic history of the Cape in the period 1835-1859 is in general under-researched, commercial and company developments and the economic role of John Fairbairn, aspects covered here, have been particularly poorly served in the past. By making systematic use of sources such as the Advertiser, which provided such direct and lively access to commercial developments in Cape Town, this thesis hopes to contribute to a more material grasp of the colony's pre-mineral economy and the key role which Cape Town and her commercial bourgeoisie played in the shaping of modern South Africa.

NOTES

1. B. Bozzoli, The Political Nature of a Ruling Class: Capital and Ideology in South Africa 1890-1933 (London 1981), 107.
2. S. Marks and S. Trapido, "The politics of race, class and nationalism in twentieth century South Africa", in S. Marks and S. Trapido (eds), The Politics of Race, Class and Nationalism in Twentieth Century South Africa (Harlow 1987), 3-4.
3. See below, 161-162, 174, 178-183, 187, 208-209; H. Giliomee, "Reinterpreting Afrikaner Nationalism", The Societies of Southern Africa in the 19th and 20th centuries, vol. 13, Collected Seminar Papers, no. 33, Oct. 1982-May 1983, 4, Institute of Commonwealth Studies, University of London; H. Giliomee, "The beginnings of Afrikaner nationalism", South African Historical Journal, no. 19, Nov. 1987, 125, 134; T.R.H. Davenport, South Africa: A Modern History, 3rd ed. (Johannesburg 1987), 104-107.
4. H.C. Botha, John Fairbairn in South Africa (Cape Town 1984), 133; see South African Commercial Advertiser (SACA) henceforth), 31 Dec. 1859, farewell by editor.
5. For a full discussion of Fairbairn's commercial role, see below, 209-214.
6. C.A. Jones, International Business in the Nineteenth Century: The Rise and Fall of a Cosmopolitan Bourgeoisie (Brighton 1987), 15.
7. For the liberal interpretation of the "interconnections" of the peoples of South Africa, see especially, M. Wilson and L. Thompson (eds), Oxford History of South Africa, (Oxford 1969), 2 vols.
8. S. Marks and A. Atmore (eds), Economy and Society in Pre-Industrial South Africa (London 1980), 2 (intro.).
9. V. Bickford-Smith's extremely well-written thesis just recently published by contrast, concentrates on a socio-economic analysis of Cape Town from 1875 to 1902, drawing in aspects not dealt with in this study. His concern is to flesh out the growth of segregation in Cape Town, establishing the primacy of class or race in social relationships during the later 19th century, after the mineral discoveries - V. Bickford-Smith, "Commerce, class and ethnicity in Cape Town, 1875-1902" (PhD, Cambridge University, 1988), 15-16.
10. See below, ch. 1-3, passim.
11. Ibid., ch. 3-4, passim.
12. Ibid., ch. 4, passim.
13. Ibid., 179-180, 187-188, 201-209.
14. SACA, 9 Apr. 1859 - see below, 179.
15. P. Lewsen, "Cape liberalism in its terminal phase", in D.C. Hindson (ed), Working Papers in Southern African Studies (Johannesburg 1983), vol. 3, 37.
16. G. Kay, Development and Underdevelopment: A Marxist Analysis (London 1975), 95.
17. See below, ch. 3, passim.
18. See below, 36-37, 210-211.
19. Jones, International Business in the Nineteenth Century.
20. See below, 31-32, 65, 99-106.
21. Ibid., ch. 3 and 4, passim.
22. M. Arkin, Storm in a Teacup: The Later Years of John Company at the Cape 1815-36 (Cape Town 1973), 23.
23. W. Bird, State of the Cape of Good Hope in 1822, Facsimile reprint of original ed. of 1823 (Cape Town 1966), 146-147.
24. R.B. Fisher, The Importance of the Cape of Good Hope as a Colony to Great Britain (London 1816), 47.
25. R.W. Murray, South African Reminiscences (Cape Town 1894), 190.
26. Bozzoli, The Political Nature of a Ruling Class, 118; see also T.E. Kirk, "Self-government and self-defence in South Africa: the inter-relations between British and Cape politics 1846-1854" (DPhil, Oxford, 1972), 46-47.
27. See below, ch. 2-3, passim.
28. Kirk, "Self-government and self-defence", 310-312; D. Warren,

- "Merchants, municipal commissioners and wardmasters: municipal politics in Cape Town 1840-1854" (MA, UCT, 1986), 45-46.
29. Bozzoli, The Political Nature of a Ruling Class, 107, 117.
 30. K. Marx, Capital: A Critique of Political Economy, (Middlesex 1981), vol. 3, pt. 4, esp. 379.
 31. See below, 69-81, 143-144, 204-205; Bickford-Smith, "Commerce, class and ethnicity", 48 - for dominance of big mercantile firms in Cape Town economy during the last 30 years of the economy.
 32. See below, 108-110, 123, 172-174.
 33. *Ibid.*, 91, 113-114.
 34. For example, R.V. Turrell, Capital and Labour on the Kimberley Diamond Mines 1871-1890 (Cambridge 1987); W.H. Worger, South Africa's City of Diamonds: Mine Workers and Monopoly Capitalism in Kimberley 1867-1895 (New Haven c.1987); and C. van Onselen, Studies in the Social and Economic History of the Witwatersrand 1886-1914, 2 vols (Johannesburg 1982).
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 43. Botha, John Fairbairn.
 44. For earlier short biographical descriptions, see Cape Monthly

Magazine, vol. VII, Jan.-June 1860; R. Kilpin, "Pioneers of Parliament in South Africa", Cape Argus, 26 Mar. 1921.

45. Botha, John Fairbairn, 147-157.

46. S. Trapido, "From paternalism to liberalism: the Cape Colony 1820-1834", Unpub. discussion paper, Postgraduate Seminar, Institute for Commonwealth Studies, University of London, Nov. [1988], 29, note 3.

47. The next to earn the reputation of Cape Town's premier English paper was the Cape Argus which was first published in 1857. R. Godlonton's Graham's Town Journal was begun in 1831.

48. SAL, card index "Cape of Good Hope Colony, Parliament".

49. For example the Fairbairn Papers in Wits (A230F, A663) and the Cape Town Library of Parliament (43174) and Francis Porter manuscripts in the SAL. (MSB 391)

50. Especially useful in ch. 4 below.

CHAPTER ONE

ORIGINS AND GROWTH OF COMMERCE IN CAPE TOWN BEFORE 1835 AND THE ROLE OF JOHN FAIRBAIRN'S SOUTH AFRICAN COMMERCIAL ADVERTISER

Then I saunter'd along, and continued my range,
Where the aqueduct stood, there now stands the Exchange.
But, O monstrous! the scandal and jeer of town-talk
The've stuck a score shops in the Gentleman's walk-
Where the naked are cloth'd, and the hungry, if heedful,
Can supply all their wants, by the help of the needful,
What caus'd more surprise, as it will to my cousins,
The Bookseller's shops are now starting by dozens.
Once a very few volumes was full quantum suff.
And the buyers of Goods were the vendors of snuff...(1)

1.1 Introduction

Chapter One serves as an introduction to the period covered by this study. It seeks to provide the economic context in which the steadily increasing number of merchants and traders in Cape Town were developing into a cohesive commercial bourgeoisie. They were eager to take advantage of new business opportunities presented to them and ready and able to expand their operations. Under the ascendancy of the merchant sector, they showed themselves increasingly determined to flex their commercial muscle. Once organized, they were ready to take up cudgels against various colonial and mercantilist restrictions which hampered their development. John Fairbairn, who arrived in Cape Town in 1823, and the newspaper, the South African Commercial Advertiser, of which he later became sole owner, played a seminal role in this process.

1.2 Expanding opportunities for the commercial bourgeoisie

1.2.1 Under the VOC

The closing decade of the 18th century at the Cape saw the final withdrawal of a bankrupt Verenigde Oostindische Compagnie (hereafter VOC), from a poorly developed economy, characterized by a Company-regulated, highly restricted commerce. But the idea of unremittent economic stagnation during the VOC period has recently been challenged. Ross has argued that the agrarian economy of the wheat and wine farms of the south-western Cape in the period of VOC rule - particularly in the later 18th century - witnessed a considerable degree of commercialization. These farms he des-

cribes as owned by a rural gentry, who produced for the internal and external markets. Yet, merchant activity in the period was minimal. (2)

The object of the VOC's trade policy during its rule at the Cape remained primarily that of supplying the Company with the provisions it required to fulfil the settlement's *raison d'être* as refreshment station. Improved opportunities for local commerce formed no part of its policy brief. A well-supplied stock of food and goods for the settlers was very much a secondary consideration and keeping costs down was a major factor in all decisions. Trade was restricted by a system of monopoly concessions, contracts, laws and price-fixing. The building of a basic commercial infrastructure was of no concern to Company officials. (3)

In response to the VOC's mercantilist restrictions, trade largely took refuge in various semi-legal and illegal forms, though there was some legal participation. The latter was in the form of trade in locally-grown agricultural commodities, via the Company's pacht or concession system. This entitled a settler to purchase for a period of time the right to supply agricultural commodities such as meat, butter, wine and beer to the Company, sometimes directly to the public and sometimes even to passing ships, as for example with the wine concession known as the impost. (4) Out of this system arose a small, elite group of men, parasitic on the mercantilist order, yet with entrepreneurial ambitions and interests. Such was the meat entrepreneur, Dirk Gysbert van Reenen. (5) Maarten Melck was another, becoming the wealthiest burgher at the Cape during the third quarter of the 18th century, by supplying building materials to the Company and through the franchise for wine sales in Cape Town. (6) Schutte has argued that this entrepreneurial spirit underlies the third section of the Memorandum, presented in 1779 to the Company's directors in the Netherlands by a deputation from the Cape Patriot movement. In this, demands such as improved foreign trade opportunities, higher prices for local agricultural goods and a strict prohibition on Company officials'

private economic activities, were laid out. (7)

Large numbers of settlers employed a second avenue of trade. By no means an area of specialist trade, this was private retailing of groceries and other goods. It was conducted both from home and storehouse and also in the street by slaves, on behalf of their owners (straathandel); the last-named being pronounced illegal by the Company on a number of occasions. Linked to this street trade was illicit, private hawking or smousery in the rural areas. (8)

The tradition of widespread petty trading amongst the Dutch was described towards the end of the 18th century by a visitor, C. de Jong, in his narrative of the Cape: "Alle, die koeijen hebben, verkoopen melk, die tuinen hebben, groentens; geen huijs is 'er bijna, - van de fatzoenlijksten slechts vijf of zes uitgesloten - of men vindt 'er iets te koop: bij dezen hoeden, batisten en hammen; bij genen garens, schoenen en zuiker; hier lakens, gazen en schoensmeer; daar koussen, pomade en thee." (9)

There is, however, evidence that some retail specialization existed at the Cape during the Company period but that this was on a small scale. Erasmus has stated that by 1786 there were thirty-six flour and wheat dealers in Table Valley, whose trading activities were more in the nature of general dealers in merchandise, including hardware, soft goods and food. (10)

Also widespread amongst the settlers was private importing and exporting, legal and illegal. This was frequently conducted with the help of passing ships' crew and again cannot properly be termed specialist trade. (11) In the absence of Company supplies, it often appears to have been a question of obtaining basic goods, as well as much desired Eastern commodities. It was perhaps more often than not undertaken by well-connected burghers and officials in their private capacity. An example is J.N. von Dessin, secretary of the Weeskamer (Orphan Chamber), which handled intestate estates

and inheritances of minors, inter alia. During the mid-18th century Von Dessin imported goods (including slaves) both for his own needs and for exchange. Eastern goods which he deemed profitable for the Cape trade included certain textiles, wood, Japanese dishes, as well as young male slaves. For his own needs he placed orders for such articles as a palanquin, sombrero hats, sugar, candy, coffee, rice, sago, "atjar" and bird's nests from the East; and from Europe, building items such as window panes and clothing such as socks. (12)

In the final years of its decline at the Cape, the VOC introduced a few measures to improve local trade opportunities. While it maintained a total monopoly of spices, pepper, sugar, coffee, by 1795 settlers were permitted to conduct an import trade with areas on the west coast of Africa, St. Helena and with some Dutch possessions in the East, but the export trade remained heavily restricted. In 1792 a proclamation was issued allowing the sale of agricultural goods to passing ships, once Company needs had been satisfied. (13) Outright smuggling (smokkelary), nevertheless, was commonly resorted to throughout the period, to satisfy local import demands and to supply passing ships with drink and food. This was so widespread and necessary that smugglers were not scorned as criminals. (14)

Much of the trade, then, under the rule of the VOC was conducted by individual settlers from different walks of life. Private, specialist or full-time trading activities, wholesale or retail, remained in basic contradiction to the Company's own commercial needs and policies.

1.2.2 1st British Occupation and the Batavian Republic

The policies of the British colonial government and the English East India Company during the 1st British Occupation (1795-1803) were not qualitatively different from those of the VOC. (15) As Arkin has shown, the Company, fearing that the Cape might become a "vast clandestine entrepôt"

leading to a circumvention of their own market operations in Leadenhall (London), implemented a monopoly of Eastern trade. (16) Similarly, the colonial government acted with a heavy hand because of the uncertain nature of the British occupation at the Cape and the general wartime conditions prevailing. The mercantilist notion of the colonies as a source of profit for the colonizing power remained, despite the new ideas of laissez-faire, particularly the movement towards the limiting of government intervention, which were gaining ground in Britain. (17) Not surprisingly, therefore, smuggling of both Eastern and Cape goods continued. (18)

Nevertheless, prospects for the development of the economy did improve under British rule. Though a privileged company, the East India Company exercised only indirect power over government policy decisions in London and had no direct say in local government. Secondly, though the Company enjoyed a monopoly of foreign trade, this was limited to trade east of the Cape. (19) Important trade restrictions continued, such as the wine concession, meat price restrictions and corn controls, but the period at least saw attempts at alleviating the effect of some of these. (20)

Consumption needs had certainly increased by 1801. In that year John Pringle, the Company's Agent at the Cape, requested an assistant, the business in supplying the Colony having grown "tenfold". (21) In the last few years of the 18th century a number of British merchants arrived at the Cape. Michael Hogan imported European goods on a large scale and was given permission to bring in rice and wood from the East on his own ships. Walker and Robertson, suppliers to Lady Anne Barnard and husband Andrew, were also large importers-exporters and ship hirers. John Murray was an importer who plied the coast and set up a shop at Mossel Bay. Alexander Farquhar was allowed to export fruit and wine to India. (22) Evidence points, however, to a lack of continuity of development, under the British, of the type of mercantilist era entrepreneur described pre-

viously. (23) Many of those who had grown up on the basis of the previous regime, such as D.G. van Reenen, for example, failed to survive the transition to British rule. (24) Of non-British merchants in the period the most well-known was the firm Onkruidt & Co., which participated in the coastal trade, and there were others such as G.F. Goetz and J.J. Vos, as well as the Swedish-born Isaac Strombom. (25)

But full-time traders were few and trading continued to be conducted in a general way. Lady Anne Barnard wrote in a letter in 1797 to the Secretary of State for War and the Colonies, Henry Dundas, in England: "...- & tradespeople of all descriptions in a moderate number are necessary - particularly carpenters - a couple of shoemakers could live well - as there are No shops here, a few people to unite in a retailing way a good many different branches, woud [sic] succeed, and make a Fortune to themselves..." And in another letter of the same year: "... nor is there one house at the cape where any article may not be bought in a clandestine manner if a tempting price is paid..." (26)

The period of Batavian rule at the Cape (1803-1806) was too brief and too insecure to achieve any of the well-intentioned political and economic reforms suggested by Commissioner-General J.A. de Mist and others. The administration sought to avoid the view of the Cape as an exploitable possession. Yet, little was achieved, save some attempts at establishing new markets for Cape produce and stimulating merino wool production. (27) According to one author, the period in fact witnessed a series of insolvencies among British people, not least of all merchants, among whom were included Alexander Tennant and John Murray. (28) Arkin has indicated that as early as 1802, when news of the Dutch re-occupation first filtered through, British merchants had begun to sell their property in order to return home. (29)

1.2.3 2nd British Occupation and the period before 1835

When Britain re-occupied the Cape in 1806, British merchants also began to return and soon came to form an important, though a numerically small part of the urban community. (30) "It was this group which handled the bulk of the Colony's foreign trading activities and firms like Ebdon & Watts, Hamilton Ross & Co., W. Wilberforce Bird and Shortt & Berry, were to figure prominently in the Company's Agency records." (31) Less than a quarter of Pringle's dealings locally were with merchants of Dutch origin. (32) The names of non-British merchants mentioned in Company correspondence include P. Woltersen, Modyer Korsten & Co., J. van Bihl and L. Scholtz. (33)

The limited size of the commercial bourgeoisie in Cape Town during the first decade of the century can be gauged from a list included in the 1809 Cape Almanac. (34) Under a heading "Alphabetical List of merchants, etc. Cape Town" are listed the names of just over 40 merchants, nine of whom are called merchants and agents and five of whom are described as retail and wholesale merchants. In addition, two dealers in all sorts of merchandise, four retailers, three ship chandlers/shipping stock dealers, some three dealers in liquor, one prize agent and one money changer are named. While there is a sprinkling of Dutch names among the merchants, these are more common among the general and retail dealers. An impression of the comparative growth of the centre of Cape Town's commercial sector over the period can be gained from the 1830 Almanac. Here are the names of 54 merchants and merchants/agents and some 160 retailers. Also named are four auctioneers, 26 wine merchants and three ship chandlers. Of the retailers some a dozen would appear from their names to be Free Blacks, e.g. Achilles of Bengal and Betje and Mustapha of the Cape. (35)

The Company's records continue to reflect the predominance of trade with English merchants, and, though import-export and more especially retailing were not the sole prerogative of the English, the records do reflect the

objective ascendancy of English merchants in this period. Their superiority was a result both of their capital connections and privileged contacts with the colonial government (36), as well as their experience of commercial life in England, the world's leading trading and financial nation.

At the beginning of the 19th century Cape Town's merchants, with ingenuity and perseverance, weaved their activities between Company regulations. Because of shortages of Eastern goods at the Cape, the Company's Agent was at times forced to allow merchants to import staples, such as rice for sale locally, under strict Company supervision. Eastern goods destined for the Cape at this time included such articles as rice, sugar, coffee, sago, textile piece goods, shawls, tea, spices, pepper and china. (37) Concessions were sometimes granted for the re-export of Eastern goods regarded as unsuitable for local consumption, on condition that these were sold at the Company's London auctions. A tight control on the tea trade was, however, retained. (38) But in all these matters the Agent was always most careful to prevent any precedent from being set for regular merchant operations. (39) He remained suspicious of even small-scale private imports. Thus, for example, A. Faure had to obtain permission to import four jars of pickles from his mother-in-law in Batavia in 1813. (40) Confusion was rife as to what was permitted in terms of which regulation, often leading to grave financial losses by merchants. (41) Many aspects of trade, which later became matters of private decision by individual traders or firms, at this time required government or Company sanction.

Trade opportunities were afforded Cape Town merchants by the newly-created markets on the Mascarene Islands (Mauritius, Réunion, Rodrigues), but more especially St. Helena. During the years 1810-1814 the Cape developed regular commercial contacts with these neighbouring islands. (42) On occupation of the Mascarenes by Britain, Cape Town merchants immediately requested permission to trade there. John Bardwell Ebdon, the grand figure

of Cape Town's merchants, was the first to trade with the islands and Ebdén & Watts became the first mercantile house in Cape Town to hold a sale of goods from Bourbon (Réunion) in 1810. (43)

St. Helena, especially after 1812, proved a profitable area of commercial intercourse for merchants keen to expand the limited opportunities available to them. It was in relation to the wine trade with this island that local merchants such as G.J. de Vos and Alexander McDonald installed themselves. (44) In addition to a goods market, St. Helena also proved a boon for Cape Town merchant shippers. Until 1815 the Company's Agent, faced with inadequate shipping to transport Company's goods destined for the island, was dependent on the few small brigs operated by local shippers, such as Hall & Rowe's Fancy, Ross & Twycross's Maria, Ebdén & Watts Brisett and N. Seeberg's Good Hope. (45) From 1815 until the death of Napoleon in 1821 the island, which doubled in population at this time, constituted the most important external market for Cape produce. (46)

In 1813 the Company's monopoly of the Eastern trade was abolished, though its control of the China trade, viz. tea and Canton goods, was left untouched. (47) Despite the enforcement of restrictions which continued to curtail Cape Town merchants' full participation in the Eastern trade, the Company's ascendancy over the business community began to decrease after 1815. By 1821 the Company's indents including tea, amounted to less than 300 000 rixdollars, whereas private traders during the same year imported Eastern articles to the value of more than 1 250 000 rixdollars. (48) The monopoly of tea imports thereafter remained the greatest grievance of Cape Town merchants.

After 1813 when preferential tariffs for Cape wines were implemented in Britain, wine production grew by leaps and bounds, as farmers and merchants threw their energies into increasing production and sale. Despite the reduction of these preferential tariffs after 1825, wine remained the

Cape's largest export until the early 1840s. Between 1820 and 1824 the value of wine exports had stood at £165 000, falling off after 1825. By 1840-1844 when wool overtook wine, the value of wine exports was £58 000, compared to wool, £73 000. (49) Wine's pre-eminence found commercial reflection in the expansion of the wine trade, which became one of the most important training grounds for early Cape businessmen. It certainly acted as a lucrative avenue for export merchants. British-born merchants had by 1820 come to dominate this trade and amongst their number were included John Collison & Co., Saunderson & Co., Daniel Dixon, J. Carfrae, W. Wherter, Alexander McDonald and Marsh & Cadogan. (50) J.B. Ebdon's participation in wine exporting was notable too, both directed to Britain, as well as Mauritius, St. Helena, Colombo and New South Wales. (51) However, that local-born traders and merchants also participated in the wine trade, more particularly internal purchase, will become evident in the following chapter, dealing with the relationship between slavery and commerce. (52)

Hopes for Cape Town's transformation into a great entrepot were regularly aired during the 1820s. The boundless potential of Cape Town's position, halfway between East and West, was hailed in local merchant quarters. For instance, in 1829 at a meeting called to protest against the continuing Company monopoly on tea and Canton goods, a petition was drawn up, which sketched with overdrawn optimism, the prospects for the Cape economy, once freed of Company control. It talked of the benefits to be expected once "...this Colony... [has become], in consequence of its geographical position, an Entrepôt for the productions of the East, from whence the markets of America and other parts of the world might in course of time be supplied, and as articles of Colonial produce, together with British manufactures, would be taken in exchange for Eastern commodities, this traffic may be rationally expected to become of incalculable value to the Colony, as well as of great advantage to the Mother Country." (53)

A series of measures passed in the 1820s continued to improve op-

portunities for local merchant participation in the re-export trade of Eastern goods and also made way for the development of Cape Town as a free port. The background to these free trade developments in Britain was her own industrialization, the consequent relative erosion of the political and economic significance of agriculture and the emergence of the middle classes (industry and commerce) at the expense of the landed gentry, though this process by no means involved the hegemonic destruction of the latter. The century 1750-1850 "saw the destruction of the old colonial system and the erection of an Empire of Free Trade, years which saw a middle class brought to a position of considerable wealth through the revolutionary process of the new industrialism, determined to translate their control of the new productive powers of the factories into greater political power within their country and then, if possible, to extend their influence throughout the world." (54) At the core of these dreams was the concept of informal dominion by virtue of Britain's position as 'Workshop of the World', though in individual cases, such as Gibbon Wakefield, it could even encompass ideas of formal colonization. (55) Obviously, with the advantage secured from both a large formal and informal empire, British industry had at this time no need of government protection. (56)

In 1823 Eastern goods re-exported from the Cape were placed on an equal footing with exports to Britain direct from the East. (57) In 1832 an Order-in-Council removed the bulk of discrimination against foreign shipping in the export trade. Foreign vessels could convey their own produce to the Cape and also carry Cape produce on the same terms as British ships. All goods from British possessions were to be admitted at the same rate as those from Britain, though it was only in 1855 that differential custom tariffs favouring British, as compared to foreign imports, were abolished. (58) In 1834 an Act was passed which rescinded all the remaining trade privileges of the English East India Company. (59)

Commercial horizons were therefore widened as former VOC restrictions on

trade (both internal and external) were lifted. (60) A new era of growth was heralded also by the Cape's incorporation into the British empire, which resulted in an increase in shipping and population, including significant additions to the garrisons. Ross described the multiplier effect of the increase of shipping traffic on internal trade. (61) The expanding coasting trade provided several Cape Town merchants with new opportunities. In 1810 the intrepid John Bardwell Edden applied for a licence to participate in the coasting trade as far as Plettenberg Bay (62), but no career in this regard is as famous as that of Joseph Barry of the firm, Barry & Nephews. By 1825 Barry was operating all along the East coast from Cape Town to Plettenberg Bay and Algoa Bay. (63) By 1823 he had opened a small store at Port Beaufort on the Breede River. Here he gradually built up an entrepôt of unusual size, which prospered until his death in 1860. By 1824 he had already become the part-owner of a number of ships which he employed in the coastal trade. (64)

The opportunities for local trade provided by the settlement in Albany after 1820 were manifold. Many Cape Town merchants and traders realized this and acted immediately to secure early advantage. Le Cordeur has listed Frederick Korsten, H.E. Rutherfoord and Charles Stone as examples of Western Cape merchants who intervened in the years after 1820 to gain access to the new markets of the Eastern Cape. So successful were these early efforts that when Eastern traders were ready to expand later in the 1820s, they found themselves at considerable disadvantage. (65) Besides creating new markets within the colony and encouraging coastal shipping, the Eastern Cape settlement provided a further expansionary stimulus to the economy by creating new take-off points for the trade with African peoples. (66)

Despite the improvements initiated during the second decade of the century with regard to internal and external trade opportunities, the growth of the economy should not be exaggerated. Summarizing the effect of the Com-

pany on the Cape economy, Arkin states:

Moreover, although the Company's privileged position until 1814 had meant that the local mercantile community was hedged around by numerous vexations and impediments which limited entrepreneurial enterprise, whilst the continuance of the tea monopoly remained a source of irritation thereafter, it is not unreasonable to infer from this survey that the Agency was far from being the only major obstacle to commercial expansion. The Cape colonists were severely handicapped in their efforts to make Table Bay a trading centre of the first rank; they lacked desirable export items in sufficient and unfailing quantity, they were isolated by sheer distance from the main world markets, and frequently hindered by those portions of the Navigation Acts still enforced. These were the inherent drawbacks - John Company's presence for a time merely aggravated a situation far from promising. (67)

Nevertheless, as already indicated, the early years of the 2nd British Occupation had witnessed notable economic growth. Schumann associated growth between 1806 and 1815 with the arrival of the British and the effects of the inflation of the paper money, but has detected a period of instability from 1815 to 1821, related to the effects of a recession in England amongst other things. The depression which followed between 1821 and 1826, he explains in terms of several factors. These included two seasons of wheat crop failures in 1821 and 1822; severe floods in 1823; the decrease of the British garrison on St. Helena after Napoleon's death leading to a decline in shipping and a contraction of exports; the conversion of a depreciated paper rixdollar currency at the rate of 1/6d and the effects of a similar crisis in Britain in 1825. (68)

The depression years 1821-1826 were indeed difficult ones in the history of commerce. W.W. Bird, writing about the Cape in 1822, remarked how the "distress of trade" had lowered the purchase price of land and houses. (69) Evidence of this bleak period is found in a discussion of the commercial misfortunes of the immigrant, Edward Hanbury, ship chandler and general merchant in Cape Town from 1819 to the year of his insolvency, 1825. In a letter written in 1823 to a trading partner in England, one Nixon, Hanbury described conditions in Cape Town: "The times have been so bad as to knock up many." He told of one of the largest merchant houses in the colony, Marsh and Cadogan, going bankrupt in mid-1822. His own insol-

vency, which followed soon after, he attributed to the "depressed state of trade" and his own poor health. (70) The year 1827, one year into the revival, as outlined by Schumann, saw the commercial misfortunes of Joseph Barry culminate in a declaration of his insolvency. He was forced to surrender his property to three large Cape Town merchants, viz. Ewan Christian, A. Chiappini and Charles Stuart Pillans. (71)

It is thus in the context, on the one hand, of the loosening controls on commerce, the general increase in economic horizons, optimistic belief in future great prosperity and, on the other hand, the basically poor, insecure nature of the Cape agricultural-based economy, dwarfed by the power of the British industrializing economy, that the emergence of the early Cape merchants is best understood.

1.3 Increasing cohesion of the commercial bourgeoisie under merchant leadership and the role of Fairbairn's *Advertiser*

The first steps taken by members of the small and as yet isolated group of Cape Town merchants were to create institutions with which to facilitate their rise to a position of influence within colonial society. They began by establishing a Commercial Exchange and by strengthening their links with London merchants, who had access both to Parliament and government departments in Britain. This indirect access to the British Parliament was important for Cape merchants because they had to initiate their struggle for influence in the absence of a local parliament. A nominated Legislative Council was only introduced in 1834 and representative government was first instituted in 1854. Nor, until 1824, was there any private newspaper to voice independent public opinion.

Yet, by 1827 the editor of the Advertiser was able to report: "Since the Commercial Committee [i.e. Commercial Exchange] has been recognized by Government and the Officers of the Customs (only about two years ago) and treated with a decent respect, a number of beneficial alterations have

been effected, and some pernicious innovations anticipated and thwarted."

(72) The group's own growth and success, as much as the colonial administration's favour, was reflected by the end of this period in the Colonial Office's instructions of 1833/1834. The directive to local officials on that occasion, regarding suitable representatives in the new nominated Legislative Council, was to select members from amongst the chief landowners and merchants. (73) Steps taken by the commercial bourgeoisie towards achievement of this status were largely orchestrated by the merchant element, predominantly British in origin, a fact evident in the names of members of the Commercial Exchange. (74) The government strategy of patronizing the merchant elite, would, however, pay dividends in terms of allegiance in later years. (75)

A body dealing with commercial issues had earlier been set up at the Cape by Commissioner-General de Mist during the Batavian Republic. This was the Kamer van Commerce established in 1804. Thereafter, it appears, some form of commercial group continued to meet but it was in 1817, in order to accommodate regular daily meetings of the "commercial interests", that the group decided to hire their own private rooms and in 1818 proceeded to organize construction of their own building. (76) Writing in 1822, Bird summed up the attitude of mind behind the building as "... the frog expected to swell the size of the ox." (77)

It was indeed an edifice of neo-Classical splendour, standing on the Grand Parade near the present OK Bazaars. So large was it that much of its space had to be rented out to various businessmen, firms, societies and institutions, such as the South African Library. Completed in 1822, it rapidly became a centre of economic and social life for white middle class Cape Town - a venue for public meetings, banquets and balls, though it continued to be a financial worry to its owners during most of its existence. (78) It is noteworthy that finance for the building was raised by share subscription. In itself this was not remarkable. A system of share sub-

scription had for instance been used in 1800 to raise the funds necessary for building the African Theatre, the present St. Stephen's Church on Riebeeck Square. (79) What distinguished the Commercial Exchange venture was that the shares were dividend-bearing, thus earning the Exchange the reputation of "the forerunner of all joint stock companies in South Africa." (80) It was, however, not a proper joint-stock company, in the sense of its establishment for the purpose of making profits. The main thought behind its floating was the raising of the finance necessary to construct the building. The Commercial Exchange building stood as symbol of the power of the commercial bourgeoisie, particularly its merchant layer, until its demolition in 1892. (81)

The Commercial Exchange organization basically acted as a pressure group, petitioning and making recommendations on the many aspects of the economy in which their members were directly and indirectly involved - the trade in agricultural commodities such as wine, the import-export trade, shipping and transport, government finance, customs, taxes and currency. It also performed a more routine and practical role for commerce by maintaining a shipping register and arbitrating in shipping disputes. (82)

Of assistance to the success of the early petitionings of the Commercial Exchange members was their development of formal connections to the London-based Cape of Good Hope Trade Society (83), a body established about the year 1825, representing "Merchants, Shipowners, Manufacturers and others interested in the trade of the Colony of the Cape of Good Hope". (84) As will emerge in following chapters, several of these London merchants were linked to Cape Town merchants as partners or correspondents and some were connected through a worldwide commercial house system, unique to the British empire. (85)

The role of the London merchants from 1825 to 1840 was, in association with the local group, to petition the British Parliament and government

departments, on behalf of the interests of both. There was much of common interest between the two. One of the first struggles taken up in 1825 was against the measure to reduce duties on foreign wines imported into Britain, which threatened the privileged position that Cape wines had enjoyed since 1813. Petitions were subsequently presented with regard to a number of other issues, such as the establishment of a private bank in Cape Town, the reduction of the duty on Cape wheat, the East India Company monopoly, the Table Bay breakwater, the paper rixdollar currency, slave emancipation and frontier compensation. (86)

The feeling by Cape merchants of the colony's neglect by the metropolitan country, is captured by George Thompson, traveller and resident merchant of Cape Town. In his account published in 1827, Thompson wrote: "...surely never did any unhappy settlement more require the kindly and fostering hand of the parent country than this Colony, whose misfortunes it is to form no component part of the great 'Interests' that are accustomed in England to unite for the common benefit or protection. Tamper with the rum, sugar or slave population of the least of our American Islands, and the whole 'West India Interest' is in arms." He enumerated other "Interests", such as the East India, agricultural, manufacturing and shipping, rhetorically contrasted these with the "feeble voice of this isolated Colony." (87)

The Commercial Exchange therefore prized highly its contact with the London Society during this early period. Leaving aside the question of the practical success achieved by the London group, its usefulness lay in the creation of a social legitimacy for Cape Town merchants, during their early progression into the upper echelons of the colonial middle class. This social advance was, however, also facilitated by the lack of that hierarchical class structure operational in England, in which landed interests remained the apex of the class pyramid. Cape merchants possessed that crucial aspect of colonial status, viz. high profile wealth. (88)

Developments in the second decade of the 19th century thus point to the transformation of a small and initially rather isolated group of Cape Town merchants and traders into a self-conscious, organized social and political power bloc.

Until 1824 the only newspaper in the Colony was the weekly Government Cape Town Gazette and African Advertiser, which contained notices, advertisements, shipping movements and occasionally a minimum of overseas news. Bird remarked of the publication in 1822: "Here are no extracts from parliamentary debates, nothing breathing opposition or leading to discussion, for this might create a habit of thinking; nothing scientific, for that might enlighten; but the whole is a mass of uninteresting, tasteless stupidity." (89)

Governor Lord Charles Somerset's fear of a free press and his dictatorial but unsuccessful attempt to stifle the emergence of a private newspaper, is too well known to document in detail, save to say that the newspaper he sought to destroy, the South African Commercial Advertiser, survived to become South Africa's first private and independent newspaper. (90)

Launched by George Greig on 7 January 1824, the newspaper's editorial work was handed over to two Scottish immigrants, John Fairbairn and Thomas Pringle, after the second issue. (91) Autocratic censorship, only a few months after the Advertiser's establishment, prompted the decision by the three men to voluntarily suspend the paper. When it was re-started in August 1825 after direct Colonial Office intervention, ownership was vested in George Greig and John Fairbairn, with Fairbairn simultaneously assuming editorial responsibility. Legal difficulties emerged again in 1827, when the paper was once more suspended. Then in 1829 a Press Ordinance was passed, which in large measure secured the general principles of a free press. Six years later, in 1835 Fairbairn became sole owner and editor of the Advertiser. (92) In this extended battle, he had played a cardinal role, especially after 1825.

His confrontation with Somerset over press freedom and over the establishment of a Literary Society in Cape Town, as well as the battles he was to wage in the future for representative government, are partly explained by the nature of the Cape administration. (93) Fairbairn himself described colonial administration at the time as a refuge for reactionary Toryism and militarism. In 1839 he declared: "there is Tory leaven in this Colony which assimilates to its own character every stray particle of liberality that chance may project upon our high places." (94) Some days later, elaborating on the same theme, he stated: "It has long been suspected, that the real antagonist principle to Colonial Reform, resided in the Horse Guards, - the strong-hold of Toryism, and the natural reservoir of Patronage." He explained that military government was implemented in most of the colonies because they had mainly been won as a result of war. Thereafter, however, military men continued to be appointed to civil posts. While such men were not to be disallowed from holding civil posts, military qualification was not in itself adequate qualification, as was the present practice. Such customs have operated "most banefully on the Colonies in holding them moored for a whole generation to imperfect and hurtful institutions." (95) At the same time Fairbairn's own background as a factor in his political development must briefly be indicated. Scotland's agricultural revolution, her recent flowering of industrialization, the emergence of a prosperous and mobile middle class, provided the social context for his development - as these factors had similarly for his future father-in-law, the evangelical missionary, Dr John Philip. (96) Key intellectual influences on Fairbairn before his arrival at the Cape in 1823 were his student years at Edinburgh University, his participation in the Whig Edinburgh Review and his membership of the Newcastle Literary and Philosophical Society. (97) Perhaps the clearest expression of Fairbairn's role in political reform at the Cape, was to be his fight for representative government, but such tendencies were evident earlier in his historic struggle for freedom of the press and freedom of expression and

in his commitment to the survival of the Advertiser as an independent organ.

Many colonists looked with enthusiasm to the launching of the Advertiser in 1824. Particular interest was shown by the English element, specifically a number of merchants. In the petition drawn up in 1824 to protest against the loss of a free press, merchants such as Ewan Christian, Stephen Twycross, Charles Stuart Pillans and Antonio Chiappini, featured. (98) An editorial statement in an early issue of the Advertiser reflected merchant support. It declared that "The warm interest taken, and the universal support afforded by the respectable commercial body of the Colony, demand our sincerest thanks." (99) A few months later the newspaper reported the proceedings of the Commercial Exchange Anniversary dinner at which George Greig and his commercial press was applauded and toasted and where Greig, prompted to speak, talked of how he was "... unable to express his gratitude for the patronage and support he had met with from the mercantile body." (100) Interesting is the slightly more ambiguous support the Commercial Exchange gave Fairbairn in 1827, when he travelled to London to campaign for a free press. Rather than sponsoring Fairbairn's passage, they decided instead to make him an honorary member of the Exchange. (101) In underscoring English merchant support for the founding of the newspaper, the appearance of some Dutch names in the 1824 petition for a free press should not be ignored, nor is it the intention to imply that the English merchants, as a group, would always be supporters of the Advertiser in the years to come. (102)

The East India Company's monopoly of the China trade was one of the first issues taken up by Cape Town merchants. Armed with a newspaper run by a sympathetic editor, within the bastion of the Commercial Exchange building and with an overseas reserve of volunteer, experienced advisors, the merchants began battle.

The series of events that followed in 1827 has become known as the Kerswell Test Case. The local firm, Borradailes, Thompson & Pillans, with advice from the Cape of Good Hope Trade Society - then chaired by the London partner of the firm, Abraham Borradaile - ordered a cargo of tea from London. Investigation by Borradaile had shown that this re-shipment neither transgressed the provisions of the Company charter, as the tea had been bought legally at the Company's London auction, nor was there any law in force at the Cape which made the importation illegal. Yet, when the tea arrived aboard the Kerswell, the local customs department impounded the cargo in defence of the Company's trade privilege. (103)

At this point the Commercial Exchange and the South African Commercial Advertiser intervened, the former with official letters of protest, the latter with in-depth discussion and extensive coverage of the issue. As a result of all the fuss, the Kerswell incident finally reached the government Advisory Council and the Customs House was instructed by the Lieutenant-Governor, Richard Bourke to release the cargo. (104) This marked a defeat for mercantilist monopolies, a victory for Cape Town merchants and a progressive step for the future of local commerce. Arkin has termed the incident a "Phyrric victory" (105) because the re-shipment of tea cargoes from London was not commercially viable, evidenced by the precedent not being followed by subsequent re-shipments. Nevertheless, he admits, "... in the long run the episode and its outcome undoubtedly helped to add to the pressure which was to culminate in the abrogation of the Company's Canton monopoly and the closure of the Cape Agency." (106)

The importance of the episode did not, however, lie in the success of this particular campaign, as much as in the mobilization of the merchants and the role of John Fairbairn's Advertiser. In editorial columns at the time of the Kerswell case, Fairbairn made stinging attacks on the Company. He talked of the "... plunder amassed by the Company from this poor Colony, during the last twenty years..." and referred to the Company as the "Kings

of Leadenhall-street". (107) Readers were kept informed of the latest agitation in Britain against the Charter and when on two occasions, local meetings sponsored by the Commercial Exchange were held to protest against the monopoly, Fairbairn gave these full coverage too. (108) An indication of the degree of seriousness with which he regarded the outcome was the transfer of the second petition to the offices of the Advertiser for further signatures. (109) Fairbairn continued his press campaign through 1831, in fact up until the Company's charter was on the point of being abrogated (a result, ultimately, of developments in Britain, rather than local pressure). (110)

Arkin has argued that the results of the ending of the Charter in 1834 were not of the magnitude prophesied by the merchants and by Fairbairn. A greater variety of teas, for example, did become available but the much-vaunted idea of the Cape's transformation into a halfway house and entrepôt for the goods of Europe and the East, once the Charter was abrogated, did not materialize. (111) Yet, in trying to weigh up the pros and cons of the Charter struggle conducted by the Cape Town merchants within these narrow parameters, Arkin has missed an important point. To the merchants and to the reformer, John Fairbairn, the Charter took on significance as a symbol of outdated economic and political privilege; its continued existence was anathema to the new laissez-faire ideology that was beginning to permeate merchant circles at the Cape and which Fairbairn aired in the columns of the Advertiser. Its destruction was a sine qua non for future economic development. In September 1826, Fairbairn wrote in an editorial: "Free trade, and the abolition of Monopolies, seem to be now the order of the day. This Colony will in a few years reap a share of the benefits resulting from the enlightened system adopted by Great Britain and America." (112)

In the years before 1835 Fairbairn used the pages of the Advertiser to discuss many issues of direct interest to the commercial bourgeoisie.

Fairbairn debated and explained the measure which set the rate of exchange of the depreciated rixdollar paper currency at 1/6d (Ordinance No. 2 of 1825). (113) He was active in the unsuccessful attempt to establish a private bank in Cape Town, the second attempt in the colony. In February 1826 he was elected to a committee of 78 delegated to approach the Governor for permission to establish the Bank of South Africa on the joint-stock principle. In an editorial he explained the advantages of the joint-stock type bank which operated so successfully in Scotland. (114) In this, as in many issues, Fairbairn declared the need to abolish all forms of government interference and monopoly. He wrote in the Advertiser of 22 February 1826: "The establishment of this Bank, will very soon, it is hoped, relieve Government from its unnatural connexion with Banking as a profession. Sovereigns are generally as unsuccessful Merchants, as Merchants have always proved indifferent Sovereigns." (115) In the 1830s Fairbairn continued to alert readers to the inadequacies of government banking, a tradition begun under the VOC in 1793 and which survived with ever increasing disrepute in the form of the Government Bank, until 1843. With characteristic, almost missionary-like zeal, he campaigned for a private commercial bank in Cape Town, until this was finally established by John Bardwell Ebdon in 1837. (116)

Fairbairn's role as promoter of specific commercial ventures and his fight, individually and in co-operation with the Commercial Exchange, for general commercial reform on issues such as free trade were initiated, like his political struggles, within a few years of his arrival at the Cape. Evidence of his commitment to and identification with the cause of commercial reform, was strong even in the years preceding the start of the core period of this study.

NOTES

1. South African Commercial Advertiser (SACA), 7 Jan. 1824. Extract from "A familiar Epistle, from Timothy Torrid, to his Cousin Peter, in Westminster".
2. R. Ross, "The origins of capitalist agriculture in the Cape Colony: a survey", in W. Beinart, P. Delius and S. Trapido (eds), Putting a Plough to the Ground: Accumulation and Dispossession in Rural South Africa 1850-1930 (Johannesburg 1986), 61-63.
3. G.J. Erasmus, "Die geskiedenis van die bedryfslewe aan die Kaap 1652-1795" (PhD, Universiteit van die Oranje-Vrystaat, 1986), 204, ch.6 *passim*; H. Giliomee, Die Kaap tydens die Eerste Britse Bewind 1795-1803 (Kaapstad 1975), 142.
4. Erasmus, "Die geskiedenis van die bedryfslewe", 204-205, 220-221.
5. Die Joernaal van Dirk Gysbert Van Reenen 1803, ed. W. Blommaert and J.A. Wiid (Kaapstad 1937), 1-8 for a biographical sketch of Van Reenen; Ross, "Origins of capitalist agriculture", 68; Erasmus, "Die geskiedenis van die bedryfslewe", 205, 211-212 for names of other concessionaires, e.g. H. Huising, meat trader, and J.J. van der Berg, wine trader.
7. G. Schutte, "Company and Colonists at the Cape", in R. Elphick and H. Giliomee (eds), The Shaping of South African Society 1652-1820 (London 1979), 198-202.
8. Erasmus, "Die geskiedenis van die bedryfslewe", 239-240.
9. C. de Jong, Reizen naar de Kaap de Goede Hoop, Ierland en Norwegen, in de Jaren 1791 tot 1797;...met het, onder zijn Bevel Staande, 's Lands Fregat van Oorlog, Scipio (Haarlem 1802-3), 156. Translated this reads "All who have cows, sell milk, those that have gardens, vegetables; there is hardly a house - of the best five or six excepting - where one cannot find something to buy: at this one hats, cloth and ham and at that one, cotton, shoes, gauze and sugar; here sheets, gauzes and shoe polish, there stockings, pomade and tea."
10. Erasmus, "Die geskiedenis van die bedryfslewe", 235.
11. Ibid., 241-242.
12. J.L.M. Franken, "'n Kaapse huishoue in die 18de eeu uit Von Dessin se Briefboek en Memoriaal", Argief-jaarboek vir Suid-Afrikaanse Geskiedenis, 1940 (I), 13, 17, also 19-20.
13. Giliomee, Die Kaap tydens die Eerste Britse Bewind, 142.
14. Erasmus, "Die geskiedenis van die bedryfslewe", 255-256.
15. Giliomee, Die Kaap tydens die Eerste Britse Bewind, 137, 173-174.
16. M. Arkin, "John Company at the Cape: a history of the Agency under Pringle 1794-1815 based on a study of the 'Cape of Good Hope Factory Records'", Archives Year Book for South African History, 1960 (II), 197.
17. Giliomee, Die Kaap tydens die Eerste Britse Bewind, 137.
18. Ibid., 155.
19. Arkin, "John Company at the Cape", 210.
20. Giliomee, Die Kaap tydens die Eerste Britse Bewind, 173-174.
21. Arkin, "John Company at the Cape", 206.
22. A.M.L. Robinson, The Letters of Lady Anne Barnard to Henry Dundas: From the Cape and Elsewhere 1793-1803: Together with her Journal of a Tour into the Interior and Certain Other Letters, (Cape Town 1973), 34, 269; Giliomee, Die Kaap tydens die Eerste Britse Bewind, 201.
23. See above, 17-18.
24. Schutte, "Company and Colonists", 215 - though Ross makes the point that the capital accumulated by D.G. van Reenen formed a part foundation of the colony's largest merino sheep farming business in the early 19th century, Reitz, Breda & Joubert, the first two partners both sons-in-law of Van Reenen (Ross, "The origins of capitalist agriculture", 68).
25. Giliomee, Die Kaap tydens die Eerste Britse Bewind, 203; Robinson, The Letters of Lady Anne Barnard to Henry Dundas, 32, 37-38, 41, 50.
26. Robinson, The Letters of Lady Anne Barnard to Henry Dundas, 32, 38.

27. T.R.H. Davenport, "The consolidation of a new society: the Cape Colony", in M.H. Wilson and L. Thompson (eds), Oxford History of South Africa, vol. I, South Africa to 1870 (Oxford 1969), 288-289; Arkin, "John Company at the Cape", 212.
28. F.H. Philip, "The vicissitudes of the early British settlers at the Cape", Quarterly Bulletin of the South African Library, vol.40, no.4, June 1986, 165.
29. Arkin, "John Company at the Cape", 207, 217-218.
30. Ibid., 217-218.
31. Ibid., 218.
32. Ibid., 218, note 54.
33. Ibid., 225, 264, 303.
34. Almanac, 1809.
35. Almanac, 1830. The majority of Free Blacks listed were in artisan occupations, e.g. seamstresses, carpenters, masons, fishermen, masons, painters, laundresses, tallow chandlers, tailors, shoemakers and cooks. "Coolies" (transport carriers) are also mentioned frequently.
36. Giliomee, Die Kaap tydens die Eerste Britse Bewind, 201.
37. Arkin, "John Company at the Cape", 219, 224.
38. Ibid., 225-226.
39. Ibid., 220.
40. Ibid., 294-295.
41. M. George, "John Bardwell Ebdon: his business and political career at the Cape 1806-1849" (MA, UCT, 1980), 19 - for an account of Ebdon's such losses.
42. Arkin, "John Company at the Cape", 237.
43. George, "John Bardwell Ebdon", 8-10.
44. Arkin, "John Company at the Cape", 250-252.
45. Ibid., 257-259.
46. Ibid., 260.
47. Ibid., 299-301.
48. Ibid., 304.
49. A.J. Christopher, Southern Africa (Folkestone 1976), 59; George, "John Bardwell Ebdon", 74-76; D.J. van Zyl, Kaapse Wyn en Brandewyn 1795-1860 (Kaapstad 1975), passim, esp. 9-11; see below, 116.
50. Van Zyl, Kaapse Wyn en Brandewyn, 126.
51. George, "John Bardwell Ebdon", 24-30.
52. See below, 49-50, 53-54.
53. M. Arkin, Storm in a Teacup: The Later Years of John Company at the Cape 1815-36 (Cape Town 1973), 71-72.
54. E. Semmel, The Rise and Fall of Free Trade Imperialism: Classical Political Economy: the Empire of Free Trade and Imperialism 1750-1850 (Cambridge 1970), 12. A warning note on the persistence of the landed classes' hegemony in the 19th century is sounded by P. Anderson in his article "The figures of descent", New Left Review, no. 161, Jan.-Feb. 1987, 36-42.
55. Ibid., 8.
56. T. Kemp, Industrialization in Nineteenth Century Europe (London 1971), 29.
57. Arkin, "John Company at the Cape", 303, note 71.
58. Ibid., 318-319; see below, 164.
59. Arkin, Storm in a Teacup, 3.
60. D. Denoon, Settler Capitalism: The Dynamics of Dependent Development in the Southern Hemisphere (Oxford 1983), 45-46, 63-64; Arkin, Storm in a Teacup, 224..
61. Ross, "Origins of capitalist agriculture", 60.
62. George, "John Bardwell Ebdon", 3.
63. A.P. Buirski, "The Barrys and the Overberg" (MA, University of Stellenbosch, 1952), 7. For a more recent contribution on the Swellendam economy, including the Barrys, see J.A. Stopforth, "Swellendam en sy distrik gedurende die siviele kommissarisskap van Harry Rivers 1828-1841" (MA, UCT, 1974), ch. 3.

64. Buirski, "The Barrys and the Overberg", 32.
65. B.A. le Cordeur, The Politics of Eastern Cape Separatism 1820-1854 (Cape Town 1981), 37-40.
66. Arkin, Storm in a Teacup, 19.
67. Arkin, "John Company at the Cape", 315.
68. C.G.W. Schumann, Structural Changes and Business Cycles in South Africa 1806-1936 (London 1938), 67-70. According to Christopher, Southern Africa, 59, table 3, the total annual average of exports between 1810-1814 was £111 000, between 1815-1819 it had doubled to £218 000 and by 1830-1834 it had increased by some 27% to reach £277 000.
69. W. Bird, State of the Cape of Good Hope in 1822, Facsimile of original ed. of 1823 (Cape Town 1966), 129.
70. R.P. Beck, "Edward Hanbury - Cape Town ship chandler and merchant 1819-25", pt. 2, Quarterly Bulletin of the South African Library, vol. 39, no. 2, Dec. 1984, 77-79.
71. Buirski, "The Barrys and the Overberg", 48.
72. SACA, 6 Mar. 1827.
73. See below, 134.
74. R.F.M. Immelman, Men of Good Hope: The Romantic Story of the Cape Town Chamber of Commerce 1804-1954 (Cape Town 1955), 314 and passim.
75. See below, 143-146.
76. Immelman, Men of Good Hope, 23-34.
77. Bird, State of the Cape of Good Hope in 1822, 146.
78. Immelman, Men of Good Hope, 37-39.
79. E. Rosenthal, On 'Change through the Years: A History of Share Dealing in South Africa (Cape Town 1968), 15-16.
80. Immelman, Men of Good Hope, 34.
81. Ibid., 195-197.
82. Ibid., 41-42, 102-104.
83. Arkin, Storm in a Teacup, 49-50.
84. Immelman, Men of Good Hope, 58-59.
85. F.L. Cottrell, "Commercial enterprise", in R.A. Church (ed), Dynamics of Victorian Business (London 1980), 239-240; see below, 67.
86. Immelman, Men of Good Hope, 58-70; George, "John Bardwell Ebdon", 74-78.
87. G. Thompson, Travels and Adventures in Southern Africa, ed. with notes by V.S. Forbes, Parts 2 and 3 (Cape Town 1968), 147-148.
88. E. Bradlow, "The culture of a colonial elite: the Cape of Good Hope in the 1850s", Victorian Studies, Spring 1986, 390; see also V. Bickford-Smith, "Cape Town at the advent of the mineral revolution (c. 1875): economic activity and social structure", Studies in the History of Cape Town, vol. 6, 1988, 63-64, 68, Centre for African Studies, UCT. The last-named article is based on the author's thesis "Commerce, class and ethnicity in Cape Town 1875-1902" (PhD, Cambridge, 1988).
89. Bird, State of the Cape of Good Hope in 1822, 59.
90. A.M.L. Robinson, None Daring to Make us Afraid: A Study of English Periodical Literature in the Cape Colony from its Beginnings in 1824 to 1835 (Cape Town 1962), 22.
91. Ibid., 22-23; H.C. Botha, John Fairbairn in South Africa (Cape Town 1984), 17-18.
92. Botha, John Fairbairn, 23, 31, 46-52, 133.
93. Ibid., 15-16, 27-30, 163-166.
94. SACA, 16 Nov. 1839.
95. Ibid., 23 Nov. 1839 - see also 9 Oct. 1841.
96. A. Ross, John Philip 1775-1851: Missions, Race and Politics in South Africa (Aberdeen 1986), ch. 3, esp. 52-58.
97. Botha, John Fairbairn, 2-10; Robinson, None Daring to Make us Afraid, 65.
98. G.M. Theal, Records of the Cape Colony, Jan.-June 1824, vol. XVII (1903), 362-367.
99. SACA, 14 Jan. 1824.
100. Ibid., 28 Apr. 1824.

101. Botha, John Fairbairn, 49, note 97.
102. See below, 170.
103. Arkin, Storm in a Teacup, 47-52.
104. Ibid., 52-57.
105. Ibid., 67.
106. Ibid., 58.
107. Ibid., 58 - SACA, 6 Mar. 1826.
108. Ibid., 67-72, 93-97.
109. Ibid., 96, note 72 - SACA, 10 Nov. 1830.
110. Ibid., 105.
111. Ibid., 119-126.
112. SACA, 2 Sept. 1826.
113. Botha, John Fairbairn, 77-78.
114. Ibid., 79 - SACA, 15 Feb. 1826.
115. Ibid., 79 - quoting in part SACA, 22 Feb. 1826.
116. Ibid., 154-155 - see also E.H.D. Arndt, Banking and Currency Development in South Africa, 1652-1927 (Cape Town 1928), 164-165, 192-195.

CHAPTER TWO EXPANSION, EMANCIPATION AND THE ROLE OF THE ADVERTISER 1835-1840

2.1 Slavery, abolition and the Advertiser

On 16 September 1835 Fairbairn pronounced with delight and relief: "This is the brightest page in the history of the Colony - in the history of England - perhaps in the history of human Governments... After God, then let our affections be drawn out towards our Mother Country. May she long set an example of Humanity, Justice and Honor to all nations!" (1) Prompting Fairbairn's praise on this occasion was not the abolition of slavery throughout the British empire, as one might expect from his moral tone, but instead the British government's award of the slave compensation money.

Editorial discussion in the Advertiser of the question of abolition intensified in the wake of Ordinance No. 19 of June 1826, which provided for improved conditions for slaves, including the appointment of a Guardian of the Slaves. Modelled on the 1824 Trinidad Order-in-Council, the Ordinance resulted in uproar amongst slave owners at the Cape. (2) In July 1826 Fairbairn admitted his reluctance to discuss the topic of slavery before Ordinance No. 19 was passed:

We have hitherto avoided, as much as possible, all discussion on the subject of SLAVERY, although it was one of much interest to most of our Readers, who have frequently blamed our silence, and called for some observations upon it. There were two reasons for this line of conduct... The First was, that we did not understand the case, nor could see any method of obviating the difficulties apparently inseparable from every scheme that had been devised for effecting the final Abolition of Slavery, nor had we met with any modest person who pretended to be much wiser than ourselves on these heads; and the second was, that, in our opinion, the question could not be agitated without deteriorating the value of Slave Property. (3)

The most striking characteristic of Fairbairn's discussion of slavery is the virtual absence of any moral or social condemnation of the institution. Yet, in this respect his position was in complete alignment with English abolitionists. Biblical interpretation had seldom been an important issue in controversies over the slave trade. "Despite the predominantly religious motivation of British Quakers and Evangelicals,

the abolitionists, with a few exceptions like Granville Sharp, made little use of Scriptural argument." Wilberforce even cautioned against introducing this aspect into discussions in the House of Commons. The main defence of the antislavery argument was secular, lying instead along lines of national interest and foreign competition. (4) However, here and there a pious statement, to be expected perhaps of Fairbairn as friend of the missionary movement, is to be found. For example:

The Abolition of the Slave Trade was an open recognition of the principle that man ought to have no property in man ... The Religious Public, those who think nobly of the soul, and who anticipate the Reign of Faith, Hope and Charity upon earth, have therefore cause to rejoice above all others, at the removal of this impassable barrier [slavery] which has so long stopt the progress of all spiritual improvement. And we trust to see them on the morning of the First of December, in their churches and chapels, offering up praises to the GREAT DELIVERER for this manifestation of his GOODNESS. (5)

This line of editorial discussion was, however, exceptional. That he deliberately avoided a moral viewpoint (in line with overseas attitudes), he acknowledged in March 1831:

In treating this question [slavery] we have from the beginning (1824) carefully abstained as much as possible from touching on the moral and religious grounds from which so many able writers have drawn their arguments in favor of Liberty. Not that we overlooked or were insensible of their paramount importance, or slighted the authority which the sanction of our Holy Religion sheds over every great design. But in discussing the propriety of Political arrangements we prefer, for ordinary use, the more generally intelligible principles of Political Science. The Ten Commandments, with the New Testament addition of Universal Benevolence, may be employed by others; we are content with the Multiplication Table -. (6)

With what yardstick was Fairbairn measuring the propriety of "Political arrangements" that he could reduce political science to the laws of multiplication? His approach is revealed as pragmatic and materialistic. While he agitated hard for the cause of emancipation after 1826, often in opposition to the representatives of the slave owners (7), his great concern remained the matter of adequate compensation for freed slave property, a concern inextricably bound up with his perception of the need for the appeasement of the slave owners in the interests of stable, united colonial rule.

Fairbairn's wish for reconciliation can be understood against the background sketched by Rayner in her recent study of slavery and Cape wine farming, more particularly in her concept of the "weakening of the British-Dutch alliance". (8) She characterizes those features of the early period of British occupation, which generally brought new possibilities of personal aggrandisement for the local gentry, as follows: offices in local government; pleasant social relationships between this gentry and British officials; official stimulus of wine farming; improved regulation of Khoi labour in Caledon's 1809 law, the regulations of 1812 and 1817; the establishment of the circuit court system in 1811; and a paternalistic but unsystematic intervention in the master-slave relationship. (9) She then contrasts this with developments in the late 1820s and early 1830s which witnessed a reversal. The effect of the reduction of privileged tariffs on the import of Cape wine into Britain in 1826 and the resultant failure of the wine industry, was compounded by a series of orders regarding slavery, particularly Ordinance No. 19. (10) Rayner thus concludes: "For Cape slaveowners, the realisation of the powerlessness of the local government in the face of a Colonial Office committed to a comprehensive amelioration programme and ultimately to the abolition of slavery, led to a re-evaluation of the alliance which had served the interests of the slaveowning elite and the local government for several decades. The crisis over slavery was one more element on top of economic failure engendering disillusionment with British rule." (11)

It was thus as mediator and property owner that Fairbairn early formulated the problem of abolition, which was to engross his attention, viz. the question of the conflicting rights of slave and master, further complicated in the colonial context.

The abolition of Slavery, or Regulations for ameliorating the condition of Slaves, form but one side of the question. If the just rights of the Masters are left out of view, these things can be easily accomplished by so a powerful nation as England. But the question before us is not a question of Power, but of Justice. It is - how these most desirable objects be gained for the one class, without inflicting an unmerited punishment on the other? How can the Slave ob-

tain his Freedom, while the Property of the Master, which is of at least as much importance to him as Freedom is to the other ... how to make Abolition or Amelioration coincide with the rights of Property is the problem, and it is one which readers will admit to be a very hard one. [author's emphasis] (12)

Satisfied that emancipation in itself would be adequate protection for the slaves, Fairbairn turned his attention exclusively to the slave owners. He set about proposing " a Scheme which shall enrich the Slave-holder - furnish the Colonies with an abundance of the cheapest, most manageable, and most profitable species of Labor, and bind all classes of men throughout the Empire by the bonds of an equal, personal, and immediate interest in the support or order, and due administration of all the Laws-." (13)

Once convinced of the viability of emancipation, he began a campaign to persuade his readers of the advantages. He instituted a process of opinion-forming in a variety of ways in the newspaper - in editorials, by publishing correspondence and carrying overseas news. He carefully stated that the responsibility for slavery at the Cape was Britain's, particularly as the Cape could boast of no representative government, and that if Britain wished to undo the "System", she would have to do it at her own expense. (14) He set out to convince slave owners and sympathizers that free labour would ultimately be less expensive than unfree slave labour. (15) He even resorted to the spurious argument that the overseas demand for Cape goods was restricted because slave labour was involved in their production. (16) Finally, Fairbairn began to prepare the Cape for the great change heralded by emancipation and compensation. His detailed formulation of a plan for slave compensation was evolved from an early date and, as he pointed out in 1835, it was almost identical to the scheme eventually sent out by the British government. (17) In 1833 he was already outlining the rosy prospects for the Cape economy once the compensation money arrived:

One million sterling ... is to be added to the Capital of the Colony at

once, every thing else remaining as it is. In the West India Colonies the glut of money will be much less sensibly felt as a very large proportion of the grant destined for them will remain with the Mortgagees in England. Here the mortgagees are resident, and the whole sum in hard cash will enter Table Bay.

Passing over immediate and temporary effects, such as the advance of prices and the decline in the rate of the interest, the ultimate effect will be a great improvement in the style of living throughout the Country Districts. We do not refer merely to the Farmers. The numerous class of Laborers will lay out their gains on food, clothes, and furniture to an extent far beyond their present accomodation. There will be a great increase of buildings, both in town and country.

Capitalists will be glad to invest their money in Joint Stock Concerns, where there is a fair prospect of a moderate return - for not only will the borrowers be reduced in number, but what is more effective, securities will be diminished, laborers being no longer subjects of mortgage. The result of all this will be a vast increase of demand for Labor, an advance in wages, an increase in the number of Laborers by emigration, and the conversion of Idlers... In conclusion it is perhaps not too much to say that this sudden influx of capital will raise the Colony as much in five years, in point of wealth, as we could have hoped to see it rise in Fifty under the present System of stinted Labor, and deficient Capital. (18)

Simultaneously, cognisant of the large amounts of money due to the Cape, Fairbairn began to voice cautionary concern for the colony's economy. The sudden influx, an amount he estimated at six times the value of money circulation at the Cape, he warned, could result in the unsettling of "the whole financial arrangements of the Colony". (19)

Thus in the years preceding emancipation Fairbairn campaigned for abolition in such a way as to placate slave owners and when news of the compensation money arrived at the Cape, he immediately began preparing his readers for the effects of this huge amount of money.

2.2 Slavery and commerce at the Cape before 1834

The question that comes to mind is how far Fairbairn's concern with the issue of slavery and emancipation was reflected by Cape commerce generally. The Genoveses developed the argument of what they term the "Janus face of merchant capital", to refer to merchant capital's ability because of its base in relations of exchange, not production, to feed off and coexist within different types of relations of production, i.e. capitalism and pre-capitalist forms of property like slavery. Was the commercial

bourgeoisie at the Cape able to adjust to and promote relations of advancing capitalism, yet at the same time remain tied to pre-capitalist forms of social relationships, simultaneously looking forward and backward, as Janus of ancient Roman mythology was believed to have done? (20)

The views of the smaller general trader at the Cape (mainly Dutch/Afrikaans) are generally difficult to reconstruct as they lacked the organizational, economic and social power merchants enjoyed. (21) Judging from Fairbairn's account of the dinner of 1 December 1834 held to celebrate the abolition of slavery of that day, the organized merchant sector, represented by the Commercial Exchange, certainly had no misgivings. Fairbairn talks of the "Noble Britons" - chiefly merchants - who assembled that night at the George's Hotel in the Heerengracht "and in true English fashion expressed their gratitude for this Crowning Mercy". During that day the meteor flag of England had been unfurled on the Commercial Exchange". (22)

And what of the slaves, one of the two main protagonist groups in these events, but relegated by Fairbairn to mere shadows. Of these men and women, for four years hence apprentices (23), Fairbairn reported patronisingly: "Not a misled simpleton was there at the Police Office on the following day charged even with inebriety, or the breaking of a pane of glass. Large bodies of the 'Apprentices', of all ages and both sexes, promenaded the streets during the day and night, many of them attended by a band of amateur musicians; but their amusements were simple and interesting; their demeanour orderly and respectful." (24)

At the celebratory dinner Francis Collison, wine merchant/brewer, was chairman and J.S. Merrington, attorney/notary, was croupier. The stewards were the merchants A. Chiappini, T. Tennant, George Greig and G. Hodgskin, the attorney/notary John Barker and, John Fairbairn. Merchant dominance of the dinner was underscored by the speech of Mr Venning, merchant and mem-

ber of the London-based Cape of Good Hope Trade Society, in which he mentioned "being surrounded almost exclusively by the Merchants of Cape Town." (25) In his toast that night Merrington indicated that the accusation of "party meeting" had been levelled at the dinner and he talked of the estrangement between the British and their fellow colonists. Trying, rather unsuccessfully, to counter the accusation that the Commercial Exchange represented the partisan interests of the English merchants, he stated that when the Commercial Exchange was contemplated, "the principal object was an Amalgamation of those who, by the final cession of the Colony, had become fellow subjects, that all might join in promoting the common interests of the Colony, in its Agriculture, Trade and Commerce. With this view the British, who formed the vast majority of the members, always selected such persons for their committees as might fairly be considered to represent all parties." (26)

Yet, despite the festivities to mark slave emancipation held by English merchants, both English and Dutch/Afrikaans merchants had individually joined with slave owners in public meetings and petitions during the events leading to emancipation. The names of prominent English merchants, Hamilton Ross and Stephen Twycross, for instance, feature amongst the memorialists "concerned and affected by Ordinance No. 19". Hamilton Ross and James Carfrae & Co. are mentioned in the original request for permission to hold a meeting, in order to draw up a petition against Ordinance No. 19. (27) Amongst such petitioners, however, Dutch/Afrikaans retailers, businessmen and most especially wine merchants, predominate. Thus the names of P. Woutersen, J.J. van den Berg, G.J. Vos, J.F. Beck, J.J. Vos, R.A. Zeederberg, J.A. Smuts and J.W. Hurter, all wine merchants, occur; L.W.C. Beck and P. G. van der Byl, retail shop owners, and G.E. Overbeek, member of the Orphan Chamber, are also listed. (28) Involvement of merchants at the time of Ordinance No. 19 has been mentioned by Rayner. Evidence of their participation in the "Town House Committee" formed to have Ordinance No. 19 suspended is a case in point. (29) Yet, attention

has not been drawn to the fact that the main impetus came from a specific sector of commerce, i.e. the group of smaller Dutch/Afrikaans wine merchants, closely involved as they were with wine farming in the southwestern Cape, the slave-based sector of the economy par excellence. (30)

English merchants too were very much in agreement with Fairbairn's agitation for satisfactory conditions of compensation payment. In Memorials presented to HM Treasury and the Commissioner of the Slave Compensation Office by the Exchange's English affiliate, the Cape of Good Hope Trade Society, worries about London as the venue for payment and possible delays in the compensation were expressed. (31) The Memorial to the Slave Compensation Office wished "to represent that great excitement and distrust exist in the Colony of the Cape of Good Hope, with regard to the Slave Compensation Money, and that the Mortgagees of Slave Property are in a state of alarm as to the probable value of their securities." Were merchants here admitting their commercial affairs to be extensively linked to slave property via mortgage and general credit, were they acknowledging their own slave ownership, or were they merely worried about the effects of emancipation on colonial property and capital generally?

The first question is to what extent merchants were involved in transactions in which slave property was employed for raising loans. Obviously this would be an aspect stressed by slave owners during the process leading to abolition. Shell's study of slavery at the Cape in the 17th and early 18th centuries has indicated the important role of slave mortgage. "Since there were no public lending institutions at the Cape, some individuals used the slaves as a peripatetic bank. Such owners sold slaves when they needed to make a 'withdrawal'... Over the course of the eighteenth century this scheme became an increasingly important feature of Cape slave society, especially for elderly slave owners. By 1806, Samuel Hudson, an English slave owner, talking of slavery at the Cape, flatly claimed: 'for the aged, tis their bank'. Thanks to the domestic market,

slaves were a negotiable commodity at the Cape, giving a fiscal meaning to the word 'bondsmen'." (32)

Van Zyl has stressed that during the early 19th century, too, slaves were frequently accepted as security by money lenders and that it was on the basis of slave property that the expansion of wine farming between 1813 and 1823 took place. (33) In 1823, according to the Commissioners of Enquiry, the mortgages on 4 089 slaves stood at 12 375 000 guildens (4 125 000 rixdollars). (34) Slave owners stated in a petition drawn up in 1827 (information which Van Zyl accepts unquestioningly) that by that year about 15 000 (i.e. roughly half) of the slaves were mortgaged. (35) Contemporary Dutch/Afrikaans opinion at the time of emancipation held that by the year of emancipation (1834), an amount of £400 000 or 5 333 333 rixdollars was mortgaged on the basis of slave property. (36)

While Van Zyl stresses the heavy mortgaging of slaves and does not indicate the source of this mortgage credit, Rayner gives a different emphasis regarding the security used by wine farmers of the south-western Cape to raise mortgages. She also specifically analyses the source of this credit. From her examination of estate records for the year 1823, she deduces that "Two-thirds of the 374 winefarming estates were heavily mortgaged primarily on the basis of their fixed assets rather than of slave property." (37) "The value of their [wine farmers] mortgages on slaves amounted to only 5% of the four and one quarter million rixdollars which the colonists as a whole had borrowed up to 1823, and only 18% of the total value of loans taken out by wine growers." (38) Regarding the source of mortgage credit, Rayner furthermore states:

Most of the mortgages had been contracted with the government-controlled Lombard and Discount Banks and to a lesser extent with the Orphan Chamber, which administered and settled intestate estates, and with private individuals. Large-scale farmers, district officials and annuitants, rather than merchants, were involved as individual lenders of capital. [author's emphasis] The records of the insolvent estate of Dirk Gysbert van Reenen, for instance, indicate that he owed Rxds 35,221 in unpaid principal interest on mortgages contracted with the Lombard Bank, the Orphan Chamber, J.J.L. Smuts, an Orphan

Chamber official (a member, as will be seen, of the Dutch/Afrikaans commercial bourgeoisie); Michiel van Breda, a leading agriculturalist; and P.H. van Reede van Oudtshoorn, a relative of the only Dutch nobleman resident in the colony.

She concludes:

Merchants were apparently discouraged from investing in mortgages of fixed farm property by the great delays attendant on the recovery of the principal. During a period of rapid depreciation in the colonial currency, such delays could prove very costly to the lender of capital on a fixed interest rate of 6 percent per annum. (39)

The Slave Office Day Books of Mortgages covering the period 1818-1836, lists those mortgages secured on the basis of slaves. (40) These were therefore examined with a view to further establishing how important a factor merchant capital was in such transactions. The result generally confirmed Rayner's proposition that merchants were infrequent creditors in relation to slave mortgages. The Government Discount and Lombard Banks, indeed, appear very frequently as mortgagees; and most mortgagees are Dutch/Afrikaans private individuals, many having no apparent business connection. Nevertheless, a group of Dutch/Afrikaans merchants and businessmen does, however, appear fairly frequently, while there is scattered mention of big English merchants.

Examples of English merchant mortgagees are as follows. In the 1818-1821 period Stephen Twycross, slave petitioner and wine exporter, extended a mortgage of £7 15s to Hester Johanna Maynier. (41) J. Collison, foremost wine exporter, is listed as a mortgagee of £10 5s 4d advanced to M. Pentz of Stellenbosch, £6 000 to G.H. de Waal and £1 200 to J. Dick. (42) J.R. Thomson of the firm Thomson, Watson & Co., another major wine exporter, accepted a slave as security from G. Bennett for two promissory notes. (43) In the period 1829-1835, mentions of the following English merchants are encountered. In December 1833 Messrs Borradailes, Thompson & Pillans advanced a mortgage of £367-1-0 to Joseph Scarrett Needham on security of 20 slaves he owned. (44) S.B. Venning & Co., also a wine exporter, was creditor in a transaction with Willem van Reenen registered in February 1835:

For better securing the payment of a Bill of Exchange bearing date

11th instant drawn by him upon & accepted by Petrus Johannes Redelingshuys ... in favor of said firm of S.B. Venning & Co. or order payable twelve months after date for the sum of £152.1.9 assigned, transferred by way of Special Mortgage, all his right and title in & to the Compensation Money which may be awarded to him by the Commissioners under & by virtue of an Act of Parliament, for the loss incurred by the manumission of his late slaves named Adonis & Jan and as a further security for the due and punctual payment of the said Bill of Exchange, he has also mortgaged all his right & title of, in and to the Apprenticeship & service of the said apprenticed Laborers for the residue of their term of service. (45)

Thomson, Watson & Co. lent more than £1 000 to Michiel Johannes de Kock on security of 19 slaves and to the same debtor the next year. (46) Simpson Brothers, Messrs. Collison & Co., James Nisbet and William Dickson, William Gadney, William Anderson Sen. & Co., George Thompson of Borradailes, Thompson & Co., William Heideman for James Carfrae & Co., slave memorialists, and Ewan Christian, all merchants and most of them exporters of wine, are named as mortgagees in the period 1831-1834, usually on single occasions. (47)

But more frequent in the records is mention of Dutch/Afrikaans merchants, traders and agents. Andries Brink (Daniel's son), wine merchant, and Hans Hendrik Wicht, a retail shopkeeper, both appear with great regularity over the period 1818-1821 and 1829-1835. (48) The name of Roelof Abraham Zeederberg, wine merchant, occurs and even more frequently J.J.L. Smuts, secretary of the Orphan Chamber, who is mentioned by Rayner as an important mortgagee. (49) G.E. Overbeek, like Smuts, a member of the Orphan Chamber, is also named. (50) The brothers, Johan Hendrik Wicht, agent, and Johan Andreas Heyse Wicht, retailer, as well as Fredrik Godfried Watermeyer, for instance, appear on at least two, if not more, occasions. (51) H.G. Muntingh, merchant, lent an amount of f6 000 in 1820 and Messrs. Wolff & Bartman, auctioneers, were mortgagees on at least five occasions between 1830 and 1832. (52) The appearance, therefore, of names such as Zeederberg, Overbeek and several other mortgagees as petitioners against Ordinance No. 19, is not suprising. (53)

It may be deduced from the above that commerce did not participate exten-

sively in transactions based on the mortgage of bonded human property, though the wine merchant sector as a whole and particularly the Dutch/Afrikaans group of wine merchants, agents and moneylenders was more heavily involved.

A second aspect of the commerce-slave relation, the extent of which cannot be gauged, was commerce's advance of credit for the purchase of slaves. The business sector, particularly in the absence of a formal banking structure, performed a banking function by discounting bills of exchange, so perhaps loans for the purchase of slaves were more general than the isolated case mentioned here. The instance that stands as example was related in correspondence to the Advertiser's editor. Major Parlby, an English farmer, detailing his financial distress, as a result of the reduced compensation awards, explained that he had borrowed the original capital for purchasing his slaves from Hamilton Ross & Co., whom he had paid 6% interest over a period of seven years. (54)

Finally, what of the basic relationship between the propertied classes, including commerce, and the slaves, viz. that of master and slave? One could expect merchants and businessmen, a wealthy section of the ruling class, to employ slaves as domestic workers as well as labourers in their shops and firms. These urban workers at home and in the service sector formed an important section of the slave class. Therefore, the appearance of commercial men as claimants in the Lists of Compensation Awards is not suprising, especially if ownership in the lists also represented mortgage-related transactions undertaken by them before emancipation. However, the aspect of compensation awards to commerce will be dealt with in a later section. At this stage it is sufficient to state that commerce certainly encompassed slave ownership. (55)

Fairbairn had rightly stated in April 1834 that not only slaveholders were going to be affected by emancipation; other "classes in the community too,

to the extent of their property and transactions, were involved not only as Mortgagees, Creditors, or Partners with the Holders of Slaves, or simply partaking of the good or ill fortunes of so important a class of customers, or employers, or neighbours engaged in the same occupations with themselves, but directly and immediately in their own property and business." (56) Commerce's involvement in slave property during the pre-emancipation period has been sketched. The general characteristic of commercial capital's Janus face is confirmed by its involvement in slave property relations and transactions, albeit not on an extensive scale. Yet, if in the years before slave compensation money, the fortunes of Cape commerce were not that closely tied up with slave property, in the years during the actual payment, its fortunes were to become intimately linked.

2.3 Effects of abolition and compensation on the economy

On 16 September 1835 Fairbairn informed his readers that an amount of £20 000 000 was to be paid to slave owners in the British colonies. Of this the Cape was allotted pro rata £1 247 401-0-7 for its 38 427 slaves, each valued at an average price of £73-9-11, calculated on the basis of prices obtained during the period 1823-1830. (57) These calculations were made in London on the basis of information regarding average prices and the total number of slaves, supplied by the local Board of Assistant Commissioners, which was set up in Cape Town in early 1834. (58) The Board consisted of the Governor, Attorney-General and of the six unofficial members, four were well-known merchants - Ewan Christian, W. Gadney, H.A. Sandenbergh and P.M. Brink - as well as the money-dealer, J.J.L. Smuts. (59) Encouragement for such a selection of men came from London. In instructions to Governor D'Urban, Stanley recommended that the Board include men with "a practical knowledge of slaves, which you will not find except amongst persons who are themselves interested in that species of property." (60) That this recommendation was followed is proved by the listing of Christian, Sandenbergh, Brink and Smuts in the lists of the slave compensation awards and in the mention already made of Gadney, Christian and

Smuts as slave mortgagees. (61)

The small compensation awards, the delays in the arrival of the money, the inability of the rural slave owners to travel to Britain, their lack of business connections and acumen, their dependence on mainly British-connected merchants to collect the money and general financial failure, are all writ large in the annals of traditional historiographical interpretations of this period. Liebenberg cites historians and authors such as Cory, Thom, Gie, Marais, Stockenström, De Kock, Grundling, Wild, Viljoen, Boeseken and Kruger, Fowler and Smit, Wilmot and Chase in this regard, believing their inspiration to derive from the writings of Theal, who in turn may have based himself on H. Cloete's writings published in 1856, Five lectures on the Emigration. (62)

Yet, rather than the depression and bankruptcy so often assigned the period after emancipation, once a serious look is taken the picture that emerges is one of a stimulated economy approaching, if not attaining, boom conditions. While some scholars who have studied the period, such as Liebenberg and Hengherr, have identified it as a period of expansion and growth, its main features have never been discussed in detail. (63)

2.3.1 Money supply

In November 1839 Fairbairn spoke of the abundance of money at the Cape "in return for the abolition of a law - for a change in the relation of master and servant". Despite his earlier quoted statement that an amount equal to six times the circulating medium of the Cape was to arrive in compensation, the whole amount of over £1 million certainly never reached the Cape. But his prediction of 1833 regarding the effects of the compensation on the economy proved remarkably accurate. (64)

From government figures available regarding the currency, it can be seen that the bulk of the money arrived in 1837-1838. These figures are some-

what inconsistent but serve to indicate (1) the increase in specie import over the period, especially in the years 1837-1838 and (2) the great increase in the component of privately imported specie. The information is summarized below:

Table 2.1 IMPORTS OF SPECIE 1825-1838

Commissariat [government military expenses] 1825-1829	£169 800 silver
Commissariat [government military expenses] 1825-1829	£ 2 205 copper
Commissariat [government military expenses] Year ending March 1837	£ 80 000
Commissariat [government military expenses] Year ending March 1838	£ 90 000
	= £342 005
Private merchant imports up to end of 1837	£235 000 (or £235 080)
Private imports up to end of 1838	£ 19 000
	= £254 000

(Source: *Colony of the Cape of Good Hope (Blue Book)* 1838)

A breakdown of the component of private imports up to the end of 1837 was obtained from earlier Blue Books and can be summarized as follows:

Table 2.2 PRIVATE IMPORTS OF SPECIE 1835-1837

1835	£ 25 000
1836	£ 18 000
1837	£192 680

(Source: *Colony of the Cape of Good Hope (Blue Book)* 1835-1837)

Thus, no private imports of specie occurred in the period between 1825, the year British sterling was introduced, and 1835. The £25 000 introduced privately in 1835 cannot be explained in terms of the slave compensation money inflow. Certainly, some of the 1836 imports and all the 1837 imports can be attributed to the compensation as claims began to be processed in late 1836. (65)

Regarding the total amount of coin in circulation, government figures reveal the following:

Table 2.3 COIN IN CIRCULATION 1834-1843

1834	£ 75 000	—	£ 80 000	1839		£300 000
1835	£100 000	—	£105 000	1840	£250 000	— £300 000
1836			£150 000	1841	£180 000	— £230 000
1837			£300 000	1842	£160 000	— £210 000
1838			£300 000	1843	£155 000	— £205 000

(Source: *Colony of the Cape of Good Hope (Blue Book)* 1834-1843)

From the above it is apparent that the circulation of specie doubled

during 1837, the first proper year of arrival of the compensation money, remaining at that level in the immediate aftermath, beginning to decrease in 1840 and falling to roughly 1836 levels by 1843. In 1840, therefore, the government was still referring to "The great and sudden increase in the Circulating medium by payment of the Slave Compensation claims..."

(66) However, the increase of specie over the period to 1840 cannot be explained entirely in terms of the compensation money. It was also the result, as shown in Table 2.1, of the increased importations by the military, as well as evidence of the first large-scale rewards of Eastern Province merino farming in the late 1830s and the establishment of the first private, commercial bank, the Cape of Good Hope Bank, in 1837. (67) It should be borne in mind that there was in addition in this period a paper circulating medium which between the years 1835-1840 amounted to some £180 000 - £200 000. (68) Interestingly, the government statistical report of 1838 also mentioned that large sums of specie, the produce of the slave compensation money and the sale of farms, had been taken by the "Emigrant" (i.e. trekking) farmers. (69) If this did indeed occur, then the debilitating effect on the economy must certainly have been balanced out by the sheer amount of specie introduced and still remaining.

2.3.2 Imports

It is obvious that much of the compensation money due to the Cape never left London. No doubt the money was used by commerce to pay off existing debts, which because of difficulties of remitting money, it was eager to do. Some money must also have found its way into the London branches of the merchant houses, as agency fees. Another probable explanation is that many merchants brought in goods, instead of bringing back actual money or immediately returned the money to England in payment for new goods.

Imports over the period 1834-1843 and the resultant custom dues paid to the Government (see Table 2.4 overleaf), show an enormous increase over the period of the slave compensation money. The reason for this increase

again cannot be solely assigned to the compensation, but was also a reflection of a generally expanding market demands. Yet, compensation should be seen as a major factor. And it was widely hailed as such at the time. The Commercial Exchange's annual report published in the Advertiser in mid-1837, remarks on the unusual increase in imports which may be partly ascribed to the payment of the slave compensation money. (70) The Government Blue Book for 1836 stated: "The importation of Goods from the United Kingdom has been very greatly increased of late, owing mainly to the payment of the Slave Compensation money; but it is not to be credited that this state of things will survive the cause which produced it, still however, the commerce of the Colony must be held to have improved, and particularly that with other Countries." Elsewhere the large importations are ascribed in great measure "to speculations in transactions, arising out of the barter and sale of compensation claims and partly to an increased consumption of imported articles." Such government sentiment was repeated in 1837 and 1838. (71)

Trade (imports and exports) through Cape Town in the first half of the 19th century has recently been tabulated. This shows that between 1831 and 1835 the annual average stood at £630 000; between 1836 and 1840 at £1 596 000 (more than doubling) and between 1841 and 1845 it had fallen back slightly to £1 017 000. (72) In the Legislative Council the Hon. H. Cloete mentioned the slave compensation money as the probable reason for the increase of shipping in Cape Town's harbour. (73) When Advocate Musgrave gave evidence against the Usury Bill in 1839, he aimed to present merchants in an adverse way and by contrast paint a picture of the plight of poor farmers and small tradesmen who would suffer by a lifting of the 6% interest limit on promissory notes and bills of exchange. He argued that the compensation money had passed "Into the hands of the merchants, who passed it again in remittances to the mother country; and in exchange, we have got a huge quantity of merchandise which is not wanted. The principal merchants, finding the market glutted, that they are unable to dis-

pose of their goods, found no difficulty in passing over certain quantities to shopkeepers, minors, and other persons, taking their notes for the amount at 6% ... " (74) Table 2.4 presents official figures indicating increased Cape Town imports and exports during the period of compensation with a peak reached in 1839-1840. The table likewise shows a noticeable increase in customs dues.

Table 2.4 IMPORTS, EXPORTS & GOVERNMENT DUES, CAPE TOWN 1834-1843

	Cape Town Imports	Cape Town Exports	Cape Colony Customs	Cape Colony Transfer dues
1834	£ 392 827	£ 297 574	£15 778	£ 9 422
1835	£ 498 564	£ 328 579	£19 399	£ 8 264
1836	£ 780 673	£ 336 199	£26 452	£11 750
1837	£ 985 826	£ 327 659	£34 985	£17 791
1838	£ 917 963	£ 311 911	£45 340	£23 636
1839	£ 231 362	£ 706 769	£51 395	£20 472
1840	£1 371 582	£1 011 916	£41 670	£16 911
1841	£ 824 974	£ 526 245	£32 649	£14 224
1842	£ 600 131	£ 245,862	*£56 485	*£20 243
			£61 115	£19 259
1843	£ 665 338	£ 211 226	£75 190	£18 498

(Source: *Colony of the Cape of Good Hope [Blue Book] 1834-1843*)

*Conflicting figures reported in *[Blue Book] 1842-1843*

2.3.3 Interest rate

The influx of money resulted in a reduction of the interest rate. In August 1838 Fairbairn attributed the fall to the inflow of compensation money and the lack of investment of that money in productive undertakings, such as harbours and agricultural improvements. (75) The 1837 Blue Book noted that the rate of discount had been lowered from 6% to 4 1/2% and even to 4% because of the substantial increase in the money supply, adding that the establishment of the new private bank had not been without its influence. The Blue Book for 1840 also explained that the great and sudden increase in the "circulating medium" was due to the slave compensation money, noting that the interest rate was now reverting to 6% because of a shortage of money. (76)

On 12 September 1839 the Savings Bank, following the Government Bank, reduced the interest on deposits from 4% to 3% and on bonds in favour of the bank in the Western division from 5% to 4%. In its annual report published in the Advertiser in January of the next year, the bank stated that

the reduction of interest had not been an adequate remedy for its large amounts of idle reserves and because of the difficulty of finding investment opportunities on good security, it had been decided to limit deposits to £75 p.a. or £5 p.m. (77)

2.3.4 Property

The property market was also affected by the compensation money. The colonial government reported as early as 1836 that land policy was to be affected by the sudden increase of money. "For two reasons, and in order to take advantage of the recent influx of money into the Colony, opportunities have been given for the redemption of quit-rent lands at 20 years purchase, and the granting of lands on that tenure has been checked in order that all persons desiring to acquire lands, may do so by purchase." (78)

Emancipation itself also stimulated the property market. New areas of poor housing inhabited by artisans/labourers, many obviously former slaves, were alluded to by Fairbairn. He reported in 1838 "To the low-browed, damp, unventilated cellars, and narrow lanes inhabited by the poor of Cape Town, a number of small cottages, as they are called, in the form of a bisected triangle, are making their appearance in the vicinity, constructed apparently for the purpose of proving, by direct experiment, that pure air, light and cleanliness are not necessary to health in this climate." (79) When the smallpox epidemic struck Cape Town in 1840 the worst affected areas were obviously these poor areas. Fairbairn wrote indignantly at that time: "The upper ranks would discover that they are reposing over a magazine of death in which the torch is always smouldering... What do you think of ten, twenty, or even thirty human beings sleeping night after night in an apartment twelve to fourteen foot square - the floor damp clay - and many in the last stages of Confluent Small Pox?" (80) He described the overcrowded housing conditions, a result of "the capitalists...[having] not yet built proper houses ... They [the

tenants] are, therefore, apparently from necessity, crowded in dozens into cellars, back courts and cavern-like holes." The obvious remedy, he said, would be to pass a law "prohibiting the letting of such places as human habitations." (81) This new breed of landowning commercial bourgeoisie, with landlord wealth based firmly on these working class areas and holding the future reins of municipal power, will be touched on later in the discussion of the expansion of the local commercial bourgeoisie during the emancipation period. (82)

In addition, the phenomenon of accelerated subdivision of existing plots in Cape Town and the suburbs, particularly the southern suburbs, is indicated in the flurry of property advertisements placed in the Advertiser during 1838 and early 1839. The adverts provide evidence of (1) the transactions of future members of the Cape Town municipality indicating their steadily increasing ownership of property in the poor areas of Cape Town and (2) urban subdivision and rapid sub-urban expansion of Cape Town during 1838 and early 1839.

Thus in March 1838 the Advertiser carried adverts for two property lots of F.S. Watermeyer, municipal commissioner in 1842. One of the lots was an alley issuing at Rose-street in the present Bo-Kaap, containing "5 newly-built neat HIRE-HOUSES, and TWO more DWELLING APARTMENTS." (83) Later that year P.J. Pentz, municipal commissioner in 1844, advertised on his estate 'Schotsche Kloof' in the same Lion's Rump area, 6 lots of land. Forming part of these were: "Two pieces Arable Land, producing annually a very rich crop, and having the advantage of a passage to Lion's Rump, and fronting Leeuw-street. This is an excellent opportunity for building Houses cheaply, as there is plenty of Stone and Clay on the spot." (84)

Expansion in the southern suburbs was a noteworthy feature of the property market at this time. While the extent to which this expansion was linked to the compensation money is difficult to establish, it is highly likely

that the two were tied together. One cannot neglect the significance of the timing of these advertisements so neatly corresponding with all the other expansionary effects around the years 1837 and 1838. A study of the advertisements reveal a great concentration around 1838 and early 1839, with few preceding and decreasing numbers after the period. Interesting too, is the emphasis in these adverts on the suitability of the plots for small cottages, perhaps indicating the growth in numbers of a white petty bourgeoisie and lower middle class as a result of the general growth in the economy. (85)

During 1838, for instance, building lots of ground suitable for small cottages on the recently divided property, 'Leeuwenhof', were advertised; 14 lots in Papendorp (Woodstock); 7 eligible building lots in Wynberg; eligible plots on 7 acres in Rondebosch; 15 building allotments on the estate 'Claremont', 30 valuable plots above Government Gardens and 6 building allotments behind the Castle. (86) On 15 September 1838 a divided property, 'Musselburgh Mount' situated behind the Castle was advertised for sale in one lot to provide scope for speculation. On 6 October 100 allotments nearly 20 acres of land in the vicinity of Cape Town were advertised by Elliott Brothers as suitable for tradesmen and mechanics. Again in October 200 cottages, part of the Newlands estate 'Vineyard', were advertised. During the same month 50 building allotments were offered in Rondebosch on the estate 'Molenvliet' on the Liesbeeck River, suitable for cottages or carrying on trades, such as bakers and butchers. On that same day 28 building lots on the estate 'Grove' were offered. (87) Part of 'Klein Westervoort', Rondebosch, was offered in 100 building lots and in Wynberg 20 lots of ground fronting the Main Road were advertised. (88)

In October 1839 a correspondent to the Advertiser mentioned that substantial quantities of land had been exchanged in the last two years and great improvements made to existing buildings. (89) Government statistics for the period, summarized in Table 2.4 above, attest to this too. Transfer

dues to the Government rose from £17 791 in 1837 to £23 636 in 1838. In the Blue Books' lists of the colony's industries, the number of brick-fields in Cape Town shot up from four in the 1834-1837 period to ten in 1838 (90), offering proof of the increased building activity in that year and obviously also indicating the increased number of freed workers in the town. Interestingly enough, according to overseas news carried by the Advertiser at this time, property prices in Barbados witnessed a similar rise after the abolition of slavery, showing an increase of some 50-30% or 10-15%. (91)

The second half of the 1830s, therefore, witnessed an economic boom in Cape Town, providing the context for the expansion of the commercial bourgeoisie, including both old and new layers, and a great spurt in company formation.

2.4 Compensation money and the merchant sector

In March 1836 Fairbairn was still talking of the compensation money being paid locally. Then in June he published news that the money was definitely to be paid in London. (92) Finally, in January of the next year he informed readers of the latest decision of the British government, viz. that the money was to be paid in 3 1/2 % government stock. (93) As a result of the new decision former slave owners became dependent on merchants with largely English connections to collect the compensation funds. As Hengherr has stated: "The firms and the individuals transmitting the compensation, have been represented as callous profiteers exploiting the plight of the helpless claimants by charging exorbitant agency fees or buying claims far below their value." (94) In August 1835 the Zuid-Afrikaan, voice of the Dutch/Afrikaans community and of the slave owners, par excellence, already mentioned the losses that would be incurred by the appointment of agents in London. A meeting was therefore called in the Commercial Exchange and a petition drawn up and forwarded to the King. (95) Interesting is the fact that several of the merchants who will later be named as compensation

agents, have already been mentioned as slave mortgagees.

As early as February 1835 two English merchant firms began advertising as intermediaries for the compensation money. J.B. Ebdon announced that he would accept compensation claims as payment at an auction of saxon and merino sheep newly imported from Sydney, New South Wales. Heideman, Carfrae and Co. announced they would accept transfer of compensation claims in payment for their assortment of merchandise. And in January 1836 at a time when Fairbairn was still talking hopefully of payment being made locally, the same firm offered its services and those of its London office in receiving sums due from compensation, as agents by power of attorney. They stated they would also purchase claims on reasonable terms and offered in exchange manufactured goods, of which they had a large stock. (96) Thus, side by side with Heideman, Carfrae and Co. of Cape Town ran the connected London firm of Carfrae, Heideman and Co. (97) This introduces the important role that connections with British merchants played in the successful transaction in London of the compensation money.

The London connection was typical of many of the Cape Town merchant houses handling the claims. The absence of a commercial banking institution at the Cape (the first such bank began operations in August 1837 (98)) must have proved a contributory factor in commerce obtaining the agency of claimants. A further advantage in collecting the money in London was the opportunity this afforded merchants to make payments in London for goods purchased there, the problem of remittance being a perennial one. (99) London merchants with Cape Town links were typically members of the Cape of Good Hope Trade Society. Thus with regard to the London-based Carfrae, Heideman and Co., James Carfrae and Co. is mentioned as a London memorialist in connection with the slave compensation money; Carfrae, Heideman as a member of the London committee formed for the purposes of establishing a bank in Cape Town and James Carfrae as a member of the Trade Society meeting in London's Jerusalem Coffee House to petition the

British government for frontier compensation to Albany residents. (100) A look at the surviving Power of Attorney Registry Book (1836-1837) amongst the records of the Cape Town Slave Compensation Office (101), reveals the frequent presence of such dual-connected (i.e. Cape Town/London) merchant houses.

The Registry Book makes frequent mention of Thomas Simpson and John Price Simpson. Thomas Simpson and Co. appear as London memorialists on the slave compensation issue and a J.P. Simpson is mentioned at the bank meeting. Simpson Bros. of Cape Town offered the services of their London house for compensation agency in the Advertiser of 1836. (102) Charles and Henry Maynard also appear in the Registry Book. Maynard Brothers are listed as London memorialists in connection with the slave compensation; a Henry Maynard is mentioned at the bank meeting in London and as a member of the Trade Society petitioning for frontier compensation. In December 1836 the Advertiser announced the new Port Elizabeth partnership between Charles and Henry Maynard and Joseph Blackburn. (103) S.B. Venning, W.A. Venning and Joseph Busk are mentioned in the Registry Book. William Venning and Co. is named as London memorialist on the slave issue and a W. Venning, jun. at the bank meeting in London and in the petition on Eastern Province compensation. In the Advertiser Venning, Busk and Co. notified the public that the services of their London firm, Wm. Venning and Co. were available for obtaining the compensation money. (104)

Another similarly-linked partnership evidenced in the Power of Attorney Registry Book is that of Thomas Donaldson and Daniel Dixon of London with its Cape Town counterpart Hudson, Donaldson and Dixon. (105) Also mentioned are Henry C. Christian and John Scales Christian of London, with the well-known Cape Town merchant Ewan Christian as the Cape Town connection. (106) J.W. Borradaile, Abraham Borradaile and George Ravenhill of London, connected to the premier Cape Town firm, Borradailes, Thompson and Pillans, likewise occur. (107) Other London men mentioned on a number of

occasions as appointed agents by power of attorney, include D.C. Guthrie and J.C. Cheape, whose specific merchant connection in the Cape is not immediately apparent. (108) J.D. Thomson and W.G. Thomson of London, partners in the well-known Cape Town firm Thomson & Watson, appear frequently too. (109) The name of J.D. Thomson occurs in connection with another group of London merchants, R. Currie, J. Cockerell and W. Scott. The presence of a Charles Cockerell with J. Cockerell in the Registry Book points to the intervention of the London firm of Sir Charles Cockerell and Co., mentioned as attending the London meeting called to discuss the formation of a bank in Cape Town. (110)

However, the most frequently mentioned triad appointed by power of attorney is that of Silvanus Phillips, John King and Charles Phillips. They were partners of the London firm, Phillips, King & Co., which was to play a major role in the early development of Namaqualand's copper mining and whose role is discussed in more detail in a later chapter. (111)

The London merchant connection was particularly significant in this early period as a means of transacting the large sums of money due to the colony, which was devoid of a banking structure to assist in the matter. The advantage fell to the London-connected Cape merchants, who (as the able French Consul to the Cape, Monsieur E. Blancheton noted in an exhibition pamphlet of 1855), often enjoyed the facility of worldwide correspondents. (112) The scope of London-based merchant involvement in the exercise was thus much wider than indicated by Hengherr. In this period the role of the corresponding firm and the worldwide multi-branch commercial house, the latter a unique feature of British colonialism, was crucial. (113)

The activities of compensation agents took three forms: agency, purchase and exchange. The already-mentioned advert of Heideman, Carfrae & Co. offered all three types of service. Hengherr has stated that though the sums

handled by the firms as agents were very large, most of the colonists obtained their compensation money by direct selling of their claims for cash. This was a less favourable method for claimants because of the heavy discounts demanded, but often unavoidable because of more immediate financial pressures. (114) A study of the Power of Attorney Registry Book reveals some 2 870 entries of power of attorney. Bearing in mind that the Book covers 1836-1837 only, but that this period is probably the one in which most of the agency arrangements were made, it can be calculated that of the approximately 4880-6400 awards made, roughly between 45%-59% was handled by power of attorney - 45% if 6400 and 59% if 4880. (115)

It is difficult to establish accurately the rate of profit earned by merchant houses in agency and purchase of the compensation awards. In a letter to the editor of the Advertiser in October 1835, 'An old emigrant' mentioned the costs involved in obtaining the money as the following: 5% commission for power of attorney in London, another 5% for freight, insurance, etc., while a country person would, in addition, have to employ a town agent at further cost. In 1836 Thomas Sutherland advertised a 2 1/2% commission fee, as did Hudson, Donaldson & Dixon, while in 1837 Fairbairn stated a total fee of 5% for agency. (116) The 5% commission figure is confirmed by the disgruntled slave owner cited previously, Major Parlby, in a letter to the Advertiser, in which he presented the detailed account of his agent, Hamilton Ross. (117) In June 1837 Hamilton Ross & Co. advertised that it wished to purchase £300 worth of slave compensation claims. Earlier that year in the Advertiser R.A. Zeederberg, Home, Eager & Co., and J.A. le Sueur jointly advertised that they had received £10 000 on account of the slave compensation fund. In other words, in that period the triad probably received the tidy sum of some £500, giving us an example of the fair-sized cash amounts which must have accrued to agents at this time. (118)

Regarding the outright selling of claims to merchants, Fairbairn wrote in

1837 that he had heard of claims sold at between a 10% and 20% discount and later that year he reported claims being sold at 7% discount. (119) Major Parlby protested that slave owners in outlying, rural areas were particularly hard hit by unscrupulous agents travelling the country and interior districts. He stated:

...many money-dealing traders, and others, seized the opportunity of purchasing up the compensation claims. British goods and British money were dispatched to the Colony, in anticipation of the Government Payments, and forwarded in wagons with mercenary agents, into the Interior Districts where, the ignorant and the needy - imposed upon by false reports - snatching at the opportunity of obtaining a little ready money, or some alluring article of dress, and the timid - distrusting the honor of the British nation - yielded up their claims, in several instances which came to my knowledge, for very trifling sums, but in all cases with a certain gain to the buyer and loss to the seller. (120)

No doubt the rate of discount varied according to how urgently the slave owner required ready cash. The offer of credit facilities under power of attorney arrangements, as was done by Ebdon and Hudson, Donaldson & Dixon, may have further increased the merchants' profit rate. (121)

Finally, besides activities as agents and purchasers of the slave compensation money, several English merchants are mentioned as owners of slaves in the Lists of Awards of the Commissioners of Compensation. Names such as Hamilton Ross (£476-5-8), C.S. Pillans (£143-13-2), Ewan Christian (£192-14-6), A. Chiappini (£472-17-9), J.B. Ebdon (£231-0-7) and G.W. Prince (£444-9-11 and £40-19-5), crop up. (122) Such awards represented compensation to merchants as slave owners and also perhaps ownership as a result of mortgage transactions. It is quite apparent that owing both to agency and actual awards, English merchants emerged from the compensation period with substantial additions of liquid wealth.

2.5 Abolition, compensation and new layers of the commercial bourgeoisie

So far this chapter has focused on the London-connected merchant houses as agents and beneficiaries of the compensation money. It remains to study the effects of emancipation and slave compensation money on the non-London connected layers of the commercial bourgeoisie. Abolition and the conse-

quent influx of money resulted in a general boost to commerce, a stimulus to the development of new layers of the commercial bourgeoisie and the spreading and diversification of commercial power, which challenged the monopoly of trade enjoyed by the established British-connected Cape Town merchants. Such consequences will partly account for the arrival on the scene of a more locally-based, increasingly vocal commercial bourgeoisie, whom Kirk and Warren have characterized as typical membership material of the Cape Town municipality (established in 1840). (123) Undoubtedly, the abolition of slavery and the arrival of the slave compensation money were not the sole causes of the growth and diversification of the commercial bourgeoisie. These were indicative of the general expansion of the Cape economy but, abolition, it will be shown, provided a strong contributory stimulus to that group's steady expansion.

In September 1831 Fairbairn took up discussion of the need for the production of exportable goods, agitating for increased local production and seeming to try to persuade merchants to integrate more fully into the local bourgeoisie, on the basis of local production. He stated:

The offspring of Merchants and Traders, the enterprising and ingenious capitalists of this Colony, seem to have directed their attention too exclusively to trade. Wealth, after which all aspire, appeared more within their reach when engaged in the rapid movements of buying and selling, than when chained to a plough or waiting the slow increase of herds and flocks. This was natural for men who still looked to a retreat in their native country as the final object of their colonial labors and speculations. But the present generation is in very different circumstances. This Colony is their birth-place, their home, and here they must lay their bones [my emphasis]. They must and will of course devote themselves entirely to its Improvement - to rendering it a fruitful sphere for every species of industry, and a fit abode for free men [Fairbairn's emphasis]. (124)

Fairbairn can clearly be seen here as emerging spokesman for a more locally-based commercial bourgeoisie.

The conflict between the merchant sector and representatives of more locally-based commerce was in existence from an early date. Arkin has indicated that on the closure of the East India Company Agency in 1834 and

the consequent need to dispose of the Agency's stocks, a group of shopkeepers, with mainly Dutch names, appealed to the Company's Agent, Hawkins, not to allow the tea to fall into the hands of a group of larger, established merchants. (125) Evident in correspondence to the editors of the Zuid-Afrikaan and the Advertiser, was the anti-merchant position of the Zuid-Afrikaan. It played host to the idea of British-connected merchants' interests conflicting with local shopkeepers, for reasons, no doubt, of its own politicking in the interests of the Dutch/Afrikaans propertied element in general. (126)

Abolition and compensation contributed to the broadening of the commercial bourgeoisie in various ways. Firstly, abolition prompted an extension of commodity relations in the town and countryside. Slaves in the towns and on the farms were the artisans, craftsmen and the working class. Emancipation and the final freeing of the apprentices in 1838, therefore, must have stimulated consumer demand from a newly-created class of wage earners and an increased artisan class. The boom in property in the poor areas of Cape Town in this period, which will be dealt with later, is evidence of the new presence of wage earners and artisans. Similarly, the rise in the number of brickfields is also indirect proof of the increased numbers of urban wage earners. (127) While no direct evidence of the effect of freed slaves on consumption has been gathered, Worden's study of slavery in the Dutch period has given an earlier indication of the role of slave consumer demand. He quotes the example of a Stellenbosch miller who complained about the loss of trade experienced during the "slave mortality crisis" of the 1740s and subsequently reported a stimulus to corn production as a result of an increase of the slave population during the 1770s. (128)

Secondly, slave owners occupied a variety of professions and hence slave labour was distributed throughout the economy. While farmers traditionally employed the majority of slaves, recent research has highlighted the considerable numbers of slaves employed in the urban area, in the manufactur-

ing and service sectors, particularly. Slaves worked in the docks, shops, warehouses, as coachmen, porters, domestic labourers, in ale houses, bakeries, butcher shops and as masons, brickbuilders, blacksmiths, carpenters and tailors. (129) Evidence points to the considerable variety of functions slaves were forced to carry out. These may not have been their primary function and would not normally show up in records. A small example comes from the Memoriaal, kept by Joachim Nicolaas von Dessin, a member of Cape Town's most select urban gentry. Entries during the 1750s noted how he had put his slaves to work to knit stockings and make caps and shirts. (130) Shell made a similar point:

The major manufacturing categories of slaves do not encompass all slaves used in a manufacturing capacity throughout the colony. The transfers of slaves to the large plantations do not disclose which slaves did what. The estate inventories which list all farm equipment, down to the butter churns in the pantry, reveal that many of the wealthy plantation owners specialized in manufacturing sidelines, investing their capital laterally in building, transport and handicrafts. (131)

Maclear attested to these same circumstances in 1834:

The expense of erecting any building here is enormous, excepting among Dutch Farmers - who employ their slaves & purchase timber and lime. Each Farmer has among his slaves a Butcher - Baker, Shoemaker - Stonemason - carpenter etc., and is thus independent of regular tradesmen. Society thence has no link in the grades of Farmer and tradesman, nothing of that self-interest from material dependence that cements these classes in England. An Englishman at the Cape by not possessing slaves has recourse to regular artizans who make a market of him because he cannot do without them. When time shall have further increased the population & the emancipation of the slaves shall have severed them from their former masters, an assimilation to the English system, must be the consequence. (132)

Farmers and townsmen were therefore equipped with a variety of multi-purpose labour to provide them with a miscellany of commodities and a means to satisfy diverse service needs. On abolition, they lost a permanent supply of labour and consequently were forced to rely on the market for the satisfaction of such wants as shoes, furniture, clothing and house-building. Presumably then, abolition in this respect also, provided a stimulus to markets and the extension of commodity relations, particularly in the countryside, where there had previously been a much greater degree of self-sufficiency.

Abolition improved the opportunities for the expansion of the locally-based commercial bourgeoisie in a third way as well. Warren has pointed out that many of the municipal commissioners became extensive landowners of urban property, particularly in the poorer areas of Cape Town. He recounts that by the second quarter of the 19th century a number of the municipal commissioners had become landlords of rows of cheap houses in the densely populated 'steegs' and streets of Cape Town. The Waterfront, Constitution Hill and Lion's Rump, were three particular areas dominated by such men. Prominent commissioners' names attest to their considerable property power, e.g. Jarvis's Building, Mechau's Buildings, Watermeyer Lane and Pentz Street. By 1865, for instance, J.A.H. Wicht owned no fewer than 374 houses, housing some 4000 tenants. (133)

By the late 1830s and 1840s these three areas contained significant sections of poor housing for workers and tradesmen. "The Waterfront area (Districts One and Two), embracing the portion of the town on the shore side of Strand Street, contained a substantial fishing and labouring population, and a smaller group of artisans and tradesmen ... Many of the habitations, especially in the 'rear' of Strand Street (where there was a row of 'steegs' or narrow lanes) were dirty, overcrowded 'Hire Houses', while the drains were 'filled with putrid masses of filth' and the neighbourhood stank of dying fish." (134) According to Warren, the Lion's Rump area (Districts Four, Six, Seven and Eight), the portion of Cape Town on the Signal Hill side of the Buitengracht and on the Table Mountain side of Wale Steet, contained a high concentration of artisans, craftsmen, domestics and labourers. A 'Malay Quarter' was already emerging there. (135) The Constitution Hill area (District Twelve) behind the Castle, likewise, contained a sizeable 'Coloured' population of workers and artisans. "The growth of the Constitution Hill area (the heart of future District Six) during the mid-century period was phenomenal." (136)

In the late 1830s many of the tenants in these poor areas were newly-freed slaves or apprentices. Most privately owned slaves in Cape Town had slept in the attic, kitchen or outhouses of the master's house. Even in the rural areas only large farms included separate slave quarters. Thus, according to Ross, "emancipation led to a definite shift within the spatial arrangements of the town [Cape Town]. Once they were fully free in 1838, the slaves were no longer prepared to live on their ex-master's premises. The memory of slavery was too fresh, so they moved out into the slums, alongside their friends and kin who had been free before 1838. They were joined by a large number of ex-slaves who had moved into Cape Town from the countryside, so that overcrowding became worse." (137) In other words, the growing wealth of these local property-owning capitalists at this time can be seen as arising out of emancipation, based on a new form of exploitation of the former slaves, now in their capacities as tenant workers and artisans, and intensified by conditions in the period which witnessed a property boom.

Fourthly, it was not only the results of abolition on increased commercialization and property ownership which favoured the fortunes of locally-based commerce. Actual compensation payment proved beneficial to the locally-based commercial bourgeoisie, as a result of the same mechanisms it had for the British-connected merchant sector. Despite the preponderance of English merchants listed as slave compensation agents in the Power of Attorney Registry Book (138), several Dutch/Afrikaans names occur. In fact one of the most frequent to crop up, second perhaps to the English Phillips & King, is a triad formed by R. Zeederberg Jr., J.A. le Sueur and Robert Eager. (139) Another very active agent was Johannes Smuts, together with the already-mentioned D.G. Guthrie and J.C. Cheape, and others, of London. Johannes Smuts advertised himself for agency, guaranteed by J.J.L. Smuts and Hamilton Ross & Co. (140) The group of Servaas de Kock Sr. and J.H. Hofmeyr, together with the English merchants Simpsons, are also frequently listed as power of attorney agents. (141)

Fifthly, there were also a significant number of merchants and traders who, like their English counterparts, were awarded substantial compensation for slaves once owned by them or mortgaged to them. Thus, for example, J.A.H. Wicht, ironmonger and linen draper, qualified for £46-8-4; Andries Brink C. son, wine merchant, £552-15-5; Petrus Michiel Brink, wine merchant, £680-11-9 and £484-5-1; J.A. Bam, corn Chandler, £435-17-0 and together with J.G. Bam £81-18-10; and Gerhard Ewout Overbeek £300-11-2. J.J.L. Smuts, received particularly large amounts - £2523-9-10, £70-19-4, £280-15-6 and with a G.H. de Wet £35-9-8. (142) Finally, Rayner has stressed the patterns of intermarriage amongst Cape Dutch families evident in the early 19th century, particularly among farmers and officials. She has attributed this to "the partible Roman-Dutch inheritance law requiring the distribution of property amongst all the children, whether male or female, at the death of one or other of the parents. Marriage alliances", she postulates, "helped consolidate valuable property within the hands of a small number of families." (143) Because of this family network, some ex-slave owners may have been ready to provide cash from their newly-acquired stocks for family members to start off businesses in the town and country.

Together all these factors contributed to the burgeoning of a local commercial bourgeoisie, evident most vividly in the great increase of Dutch/Afrikaans businessmen and their increasing presence in companies in the years around 1838. The names of men discussed above in connection with the compensation money, thus re-occur in the next section dealing with company expansion. (144) In other words, as Hengherr has remarked: "Because compensation had brought relatively small amounts of money into the hands of many people, rather than very large sums among only a few capitalists, a type of establishment was needed which would provide small holders with an outlet for their money on a more profitable basis than merely banking it". This was the essential explanation for the growth of Dutch/Afrikaans-

speaking capitalists in joint-stock companies in Cape Town after 1838, something which Warren had remarked on without offering an explanation. (145) Emancipation and the money that came into the Cape in the form of compensation gave an injection to the economy which, as has been shown, stimulated a great spending spree, enriching old and new layers of the commercial bourgeoisie and giving a boost to property-selling and speculation. It is against this background that the commercial bourgeoisie both expanded and diversified in the years before 1840.

2.6 Abolition, compensation and company formation

In July 1837 Fairbairn reported that most of the compensation had reached Cape Town. (146) Until that point Cape Town (i.e. Cape) companies could almost be counted on the fingers of one hand. The 1837 Almanac listed six companies:- South African Fire and Life Assurance Company (established 1831); Cape of Good Hope Savings Bank (established by law 1831); South African Association for the Administration and Settlement of Estates (established 1834, ratified by law 1836); Cape of Good Hope Fire Assurance Company (established December 1835); Cape of Good Hope Steam Navigation Company (established 1836); and the Cape of Good Hope Bank (process of establishment 1836, began operations 1837). (147) The 1838 Almanac added the Committee of the Cape Town Joint Stock Company, while the 1839 Almanac indicated the formation during the course of 1838 of five new companies, viz. South African Bank (1838), Cape of Good Hope Marine Assurance Society (1838), De Protecteur Fire and Life Assurance Company (1838), Board of Executors (1838) and the Rondebosch Joint Stock Company (1838). Omitted was the Commercial Wharf Company (previously the Shipping and Landing Company), whose formation was reported in the Advertiser towards the end of 1838. (148) In other words in the course of 1838 six companies were formed, amounting to as many as had existed in toto up to that point.

The accelerated growth of companies in 1838 and the arrival during the previous year and 1838 of the compensation money was not coincidental.

Certainly, both the editor of the Advertiser and the commercial community at large were aware of the correlation. It is difficult to imagine the excitement aroused by the increase of the commercial tempo, evident in the formation of these several companies. Indications of public interest were notifications placed in the Advertiser in 1836, using the novel experience of company development as an attraction. The first headed "New Joint Stock Company", placed by Thomas Reid (a collector of natural curiosities), proceeded to advertise for 1/- (adult) and 6d (children) the opportunity to view " ... that GREAT WONDER of nature ... the real Asiatic Orang-Outang, from the Interior of the Island of Java". A week later another advert was placed, announcing a 50% dividend in the Joint Stock Boa Constrictor Company. (149) Fairbairn, discussing the latest addition to companies in Cape Town, the South African Bank, in August 1838 described the advantages that new companies offered and would continue to offer. A letter to the editor in the same issue remarked: " The millenium has indeed dawned upon us as you may say..." In July 1838 G.W. Silberbauer announced the start of his publication, Price-Current, which included amongst its commercial information, dividends of the joint-stock companies. Shares were advertised for sale by private brokers, such as the same Silberbauer, or by public auction. A letter to the editor of the Advertiser in September 1838 remarked that Cape Town had become a vast stock exchange. (150) Cape Town was, undoubtedly, running a high commercial fever, despite the fact that considerably less than £1 million had arrived in compensation.

Interestingly, of the six companies formed during 1838, three were dominated by Dutch/Afrikaans-speaking shareholders. Previously, the only one to have had primarily Dutch/Afrikaans names was the South African Association for the Administration and Settlement of Estates - which was formed in 1834 to fill the gap of the long-standing but recently disbanded Orphan Chamber. (151) Other companies, in which a limited number of such businessmen gained experience, were the South African Fire & Life Assurance Company in which F.S. Watermeyr, F.G. Watermeyr and S. Oliver fea-

tured and the Cape of Good Hope Savings Bank, in which J.J.L. Smuts and F.S. Watermeyer were mentioned. (152) Presented below are leading members of the new companies established in 1838. (153)

South African Bank directors (formed 1838)

F.S. Watermeyer (Chairman)

J.H. Vanrenen J.A. Bam P.M. Brink

J.H. Wicht J.W.J. Herman R.C. Hoets

I. Chase W.G. Anderson

Cashier: G. Rawsthorne. Accountant: A.H. Hofmeyr. Clerk: M.L. Berrange.

De Protecteur directors (formed 1838)

Johan Hendrik Hofmeyr, Js LLD (President)

Andries Brink, Cs (Vice-President)

Johan Andries Heyse Wicht

Kenneth N. van Breda Johannes Gysbs. Blanckenberg

Cornelis Mostert, Sen. Seb. Val. van Renen Ss

Johannes Tromp Johan Andries Bam

Auditors: Johan Hendrik Wicht, Jacob J. Steytler, Jr. Secretary: Servaas de Kock, Sen.

Board of Excecutors directors (formed 1838)

Hon. H. Cloete LLD (Chairman)

G. H. Maasdorp J.A.H Wicht

A. Brink Cs William Gadney

Secretary: J.H. Hofmeyr, Js LLd. Bookkeeper and acting cashier: F.G. Watermeyer.

A connection between emancipation, compensation money and the increasing presence of Dutch/Afrikaans-speaking capitalists was earlier tentatively proposed. (154) It now remains to explain these connections via a discussion of the new layer of shareholders who appeared during 1838, and then

to study the connection between these new shareholders and the Cape Town municipality.

Andries Brink, Cs, director of De Protecteur and the Board of Executors, was a wine merchant who received a sum of £552-15-5 as a compensation award. Petrus Michiel Brink of the South African Bank, also a wine merchant, received £680-11-9 and £484-13-7. J.A. Bam of the South African Bank and De Protecteur, corn chandler, received £435-17-0 and with J.G. Bam £81-18-10. J.A.H. Wicht of De Protecteur and the Board of Executors, linen draper and ironmonger, received £46-8-4. Servaas de Kock Sr. and the advocate/notary J.H. Hofmeyr were important compensation agents. (155) De Kock became secretary of De Protecteur and Hofmeyr director of the same firm and also secretary of the Board of Executors. J.H. Wicht of the South African Bank and De Protecteur, a linen draper and ironmonger, received £53-6-11, with P.J. Pentz. (156)

P.M. Brink, J.A. Bam, J.H. Wicht and J.A.H. Wicht, mentioned above as compensation claimants, all became members of the newly-established Cape Town municipality. Frederik Stephanus Watermeyer, chairman of the South African Bank, and J.H. Hofmeyr Js, of De Protecteur and the Board of Executors, successful slave compensation claimants, similarly became leading municipal figures. (157) In addition, many other municipal men who did not become company shareholders at this time, received compensation awards, which must likewise have increased their liquid assets and improved their business status, e.g. Hercules Cross Jarvis (merchant), E. Landsberg (merchant), C.F. Juritz (chemist) and J.J.L. Smuts (money-lender), to name just a few. (158) Thus emancipation and the slave compensation money, in the process of stimulating the growth of local layers of the commercial bourgeoisie, improved the financial status of retailers, general traders and merchants. It also helped convert men of commerce, as well as non-businessmen and professional men (such as Watermeyer and Hofmeyr), into company shareholders. Finally, many names of future municipal commis-

sioners are listed in the compensation awards. The events of emancipation, therefore, can be seen as an important facet in the expansion of the local commercial bourgeoisie, who formed a significant power base of the municipality, which in turn was exploited by them as a stepping stone for further expansion.

In 1838 Fairbairn remarked on the difference between Cape Town company shareholders before and after 1838. He contrasted the capital of the men of the South African Bank (1838), which consisted of money and property, with that of the Cape of Good Hope Bank (1836), which was composed of merchant capital and what he termed 'merchant skills'. (159) Despite the fact that some of these later company shareholders were wine merchants, Fairbairn did not characterize their wealth as merchant-derived but instead as capital accrued via property and money. He was thereby pointing to a nouveau riche layer of the commercial bourgeoisie, which had not risen to a position of strength via established merchant channels. Fairbairn's distinction can best be understood in terms of the argument put forward thus far, viz. that property acquisition stimulated by the abolition of slavery and the enlarged liquid assets of the local retailers and professional men, as a result of abolition and the compensation money, contributed significantly to the growth of this new shareholder and company.

Initially, the group consisting of the South African Bank, De Protecteur and the Board of Executors aimed much of their advertising at agricultural landowners. On 1 September 1838 the South African Bank notified the public that it would be opening early in the morning in order to please the "Agricultural Interest", who arrived for the morning market. Apparently, the South African Bank and the Board had shared offices for some time, pointing perhaps to some kind of collaboration. (160) Country agents were a regular feature of a company such as De Protecteur, for example, which almost immediately on establishment began advertising its agents in Malmesbury, Koeberg, Tygerberg, Stellenbosch and George. (161) The rural con-

nection of certain companies in Cape Town was a distinguishing characteristic. In fact the links of these new shareholders to rural landowners, may be regarded as an important facet in the make-up of at least some members of the new commercial bourgeoisie and in turn of members of the municipality. This relatively closer link with the farmers is a feature which could distinguish the interests of the more locally-based commercial bourgeoisie from the merchant sector. (162)

By the first quarter of 1839 the boom effects of the compensation money were already vanishing. In March, Fairbairn reported a tightness of money. Banks were refusing to discount bills. He attributed this to (1) a reaction to overspending, too much money having left the country in export payments and too much merchant credit having been advanced to finance exports (2) the greater demand for money within the colony because of wage labour and other small-scale transactions and (3) the rise in prices. Later in the year he blamed the shortsighted action of the Government Bank, which had immediately reduced the interest rate (instead of delaying that move, thereby exerting a restraining influence on the rapid fall of the interest rate) and then had suddenly discontinued discounting. He also assigned some blame to the defeat of the Usury Bill, which entailed the maintenance of artificial restrictions on the interest rate on promissory notes and bills of exchange contributing, he said, to an exodus of money from the colony. (163)

Many of the expansionary effects of the slave compensation money worked through the economy very quickly. A great deal of the money eventually found its way into the coffers of London export merchants and English manufacturers. Yet, amongst the lasting effects of emancipation was the spurt in growth it gave to both new and old layers of the commercial bourgeoisie and their formal business institutions, as well as the confidence it must consequently have engendered, particularly in the new sectors of the commercial bourgeoisie. Abolition and the compensation money,

in fact, set a changed tempo in commercial life, presenting new experiences and creating fresh opportunities for business at the Cape.

NOTES

1. SACA, 16 Sept. 1835.
2. M.I. Rayner, "Wine and slaves: the failure of an export economy and the ending of slavery in the Cape Colony, South Africa 1806-1834" (PhD, Duke University, 1986), 260-267; Davenport, "The consolidation of a new society: the Cape Colony", 306-307; A.F. Hattersley, "Slavery at the Cape 1652-1838", in E. Walker (ed), Cambridge History of the British Empire, vol. VIII, South Africa, Rhodesia and the High Commission Territories (Cambridge 1963), 272-273.
3. SACA, 8 July 1826.
4. D.B. Davis, The Problem of Slavery in the Age of Revolution 1770-1823 (Ithaca 1975), 525.
5. SACA, 26 Nov. 1834. See Botha, John Fairbairn, 64-75, for an account of Philip and Fairbairn's tour of the eastern frontier and Fairbairn's marriage to Philip's daughter, Eliza. There was close co-operation between the two men. A correspondent to the Zuid-Afrikaan (henceforth ZA), called "ZXL", mentions the Philippine party or faction - the party of Dr Philip. With this faction Fairbairn was, according to the correspondent, far too involved, see 21 Nov. 1834.
6. SACA, 2 Mar. 1831.
7. Botha, John Fairbairn, 85-86.
8. Rayner, "Wine and slaves", 295.
9. Ibid., 91-129.
10. Ibid., ch. 4, passim, esp. 190-221, also 260-294; see above, 43.
11. Ibid., 295-296.
12. SACA, 8 July 1826.
13. SACA, 12 Feb. 1831.
14. SACA, 9 Feb. 1831; a letter from "A Slave Proprietor" to this effect appeared in the same issue. The coupling of abolition to the grant of representative government had been resorted to by C.J. Brand and other slave owners in the wake of the slave register incident, in a petition to the British government and the King in April 1831 - see H.C. Botha, "Die rol van Christoffel J. Brand in Suid-Afrika 1820-1854" (MA, Universiteit van Suid-Afrika, 1973), 136-137 and Botha, John Fairbairn, 86.
15. SACA, 12 Feb. 1831.
16. SACA, 24 Sept. 1834.
17. SACA, 16 Sept. 1835, referring to an earlier editorial, 9 Feb. 1831.
18. SACA, 11 Sept. 1833.
19. SACA, 3 May 1834; see also editorials in SACA, 19 Mar. and 30 Apr. 1834.
20. E. Fox-Genovese and E.D. Genovese, Fruits of Merchant Capital: Slavery and Bourgeois Property in the Rise and Expansion of Capitalism (Oxford 1983), ch. 1, esp. 5-6.
21. For an indication of the ZA's role and its posturing in the interests of the small shopkeeper, see below, 71, note 126 and 156, note 99. According to B.J.L. Liebenberg, "Die vrystelling van die slawe in die Kaapkolonie en die implikasies daarvan" (MA, Universiteit van die Oranje-Vrystaat, 1959), 128, by 1835 even news of the amount of compensation money was received calmly by the ZA.
22. SACA, 3 Dec. 1834; Almanac, 1835.
23. Rayner, "Wine and slaves", 306-308; Hattersley, "Slavery at the Cape", 277.
24. SACA, 6 Dec. 1834.
25. Ibid.; Almanac, 1835.
26. SACA, 6 Dec. 1834.
27. G.M. Theal, Records of the Cape Colony, December 1826, vol. XXIX

- (1905), 356-359.
28. Almanac, 1827.
 29. Rayner, "Wine and slaves", 260-264.
 30. The economic significance of this Dutch/Afrikaans wine sector should not be overestimated. Many of them exported in smaller retail quantities - see C.L. Leipoldt, 300 Years of Cape Wine, 2nd ed. (Cape Town 1974), 84. Documents in the Wine Taster's group reflect many names of Dutch/Afrikaans wine exporters; a Register of Cape wine exports, in which both wine merchant and exporter are listed for each shipment, indicates that the exporter was more frequently a member of a big English merchant house, such as J. Collison, Nisbet and Dickson, J.R. Thomson of Thomson, Watson & Co. and Stephen Twycross - CA, WT7, "Register of shipments of Cape wine exported" 5 Aug. 1822-24 June 1826.
 31. SACA, 22 Nov. 1834.
 32. R.C.-H. Shell, "Slavery at the Cape of Good Hope 1680-1731" (PhD, Yale University, 1986) vol. 1, 87-88.
 33. D.J. van Zyl, "Die slaaf in die ekonomiese lewe van die Westelike Distrikte van die Kaapkolonie, 1795-1834", South African Historical Journal, no. 10, Nov. 1978, 24.
 34. Ibid., quoting Theal's Records of the Cape Colony, December 1827 to April 1831, vol. XXXV (1905), 375-376.
 35. Ibid., quoting Theal's Records of the Cape Colony, October to December 1827, vol. XXXIV, 85.
 36. Ibid., quoting an 1834 edition of Het Nederduitsch Zuid-Afrikaansch Tijdschrift.
 37. Rayner, "Wine and slaves", 211 and 35a, Table 1.9.
 38. Ibid., 35-36.
 39. Ibid., 211-212.
 40. CA, Slave Office, S09/1 "Day Book of Mortgages" 1818-1821, S09/2 "Day Book of Mortgages" 1829-1835 and S09/3 "Day Book of Mortgages" 1835-1836. A study of the counter-claims register in which contested claims advanced by mortgagees and others are listed also reveal few clear interventions by commerce. The majority of names appear to be Dutch, the two sides often seeming family - see CA, S020/57, "Receipts for Counter Compensation Claims Paid" July 1836-Nov. 1837 and S020/58, "Book of Counter Claims".
 41. CA, S09/1, 2 Dec. 1818, see above, 49 and note 30 (ch. 2).
 42. CA, S09/1, 26 Apr. 20 Oct., 30 Aug. 1819; George, "John Bardwell Ebdon", 29; Van Zyl, Kaapse Wyn en Brandewyn, *passim*; Leipoldt, 300 Years of Cape Wine, 84; see above, 25 and note 30 (ch. 2).
 43. CA, S09/1, 30 Nov. 1819; Leipoldt, 300 Years of Cape Wine, 84; see above, note 30 (ch. 2).
 44. CA, S09/2, 19 Dec. 1833; see below, 66.
 45. CA, S09/2, 16 Feb. 1835; CA, WT7; Van Zyl, Kaapse Wyn en Brandewyn, 62, 140; see above, 48-49, below 66.
 46. CA, S09/2, 26 May 1831; 19 June 1832.
 47. CA, S09/2; CA, WT7; see above, 25, 49, note 30 (ch. 2).
 48. CA, S09/1 and S09/2; Almanac, 1828.
 49. CA, S09/1 and S09/2; Almanac, 1827 and 1828; see above, 51.
 50. CA, S09/1, 4 May 1820.
 51. CA, S09/2, J.H. Wicht - 22 Feb. 1831, 31 Mar. 1831, J.A.H. Wicht - 14 Mar. 1831, 5 Mar. 1831, Watermeyer - 15 Nov. 1830, 1 Mar. 1833; Almanac, 1834; C.C. de Villiers en C. Pama, Geslagsregisters van die Ou Kaapse Families, Deel Twee, N-Z (Kaapstad 1981), 1128-1129.
 52. CA, S09/1, Muntingh - 18 Sept. 1820; S09/2 Wolff & Bartman - 9 Feb. 1830, 7 Mar. 1832, 17 Mar. 1832, 28 Nov. 1832, 16 Aug. 1834; Almanac, 1828 and 1831.
 53. See above, 49.
 54. SACA, 29 May 1839. See also SACA, 6 Nov. 1839 where Advocate Musgrave during the Usury debate in the Legislative Council, describes the common use of bills of exchange by merchants in relation to shopkeepers and SACA, 2 Nov. 1839 where the Hon. H. Cloete in the same regard marks out the distinguishing characteristic of that great "capitalist" of

Cape Town, Jonas van der Poel, who refuses to negotiate bills of exchange but accepts money only on first mortgage.

55. See below, 69, 75.
56. SACA, 30 Apr. 1834.
57. SACA, 16 Sept. 1835; Liebenberg, "Die vrystelling van die slawe", 127-128. The Cape was awarded the fifth largest amount and the average value of a Cape slave was fourth highest.
58. E. Hengherr, "Emancipation and after: a study of Cape slavery and the issues arising from it 1830-1843" (MA, University of Cape Town, 1953), 53; Liebenberg, "Die vrystelling van die slawe", 114-127.
59. SACA, 11 June 1836; Almanac, 1837.
60. Liebenberg, "Die vrystelling van die slawe", 116.
61. CA, SO20/47, "Lists of the Awards of the Commissioners of Compensation" 1836-1837, claim no. 5544 Ewan Christian, 6404 P.M. Brink, 6473 H.A. Sandenbergh and 6555 J.J.L. Smuts; see below, 53.
62. Liebenberg, "Die vrystelling van die slawe", 183-184.
63. While it is not the intention to examine the situation of the slave owners as such, even here the traditional idea that emancipation resulted in severe poverty and bankruptcies among former slave owners, had been refuted. According to Liebenberg's graph showing levels of bankruptcies at the Cape between 1830 and 1840, a peak was reached in 1833-1834. The years of emancipation until 1838 in fact witnessed a continuous downturn in the number of bankruptcies, with the year 1838 showing the lowest number over the whole period. He demonstrates, furthermore, that of the 146 bankruptcies in 1834, only 18 were farmers - see "Die vrystelling van die slawe", 187-188, 193-199; see also Hengherr, "Emancipation and after", 65-71.
64. SACA, 9 Nov. 1839, 3 May 1834, 11 Sept. 1833.
65. Hengherr, "Emancipation and after", 57-58.
66. CCGHBB, 1840.
67. Christopher, Southern Africa, 59; Arndt, Banking and Currency Development, 236.
68. CCGBB, 1835-1840.
69. Ibid., 1838.
70. SACA, 6 May 1837.
71. CCGHBB, 1836-1838.
72. Christopher, Southern Africa, 95, table 4.
73. The proceedings of the Legislative Council reported in SACA, 9 Sept. 1837.
74. The proceedings of the Legislative Council around the Bill of Exchange Bill, the so-called Usury issue reported in SACA, 6 Nov. 1839.
75. SACA, 11 Aug. 1838.
76. CCGHBB, 1837 and 1840.
77. SACA, 4 Aug. and 12 Sept. 1838; 30 Jan. 1839.
78. CCGHBB, 1836.
79. SACA, 1 May 1838.
80. Ibid., 15 Apr. 1840.
81. Ibid., 23 May 1840.
82. See below, 73-74.
83. SACA, 31 Mar. 1838; D. Warren, "Merchants, municipal commissioners and wardmasters: municipal politics in Cape Town 1840-1854" (MA, University of Cape Town, 1986), p. 255, appendix H.
84. SACA, 10 and 17 October 1838; Warren, "Merchants, municipal commissioners...", 256, appendix H.
85. SACA, 1838-1840.
86. SACA, 17 Mar.; 2 May; 13 June; 1 Aug. 1838 and for last three adverts, 1 Sept. 1838.
87. SACA, 13 Oct. and 20 Oct. 1838.
88. SACA, 17 Nov. and 24 Nov. 1838.
89. SACA, 23 Oct. 1839.
90. CCGHBB, 1834-1838.
91. SACA, 29 June and 4 Dec. 1839.
92. SACA, 19 Mar. and 8 June 1836.

93. SACA, 4, 7 and 11 Jan. 1837; Liebenberg, "Die vrystelling van die slawe", 172-174.
94. Hengherr, "Emancipation and after", 61.
95. ZA, 23 Aug. 1835.
96. SACA, 21 Feb. 1835 and 20 Jan. 1836.
97. CGHGG, 11 Mar. 1836.
98. Arndt, Banking and Currency Development, 236.
99. Arkin, Storm in a Teacup, 129; R.B. Fisher, The Importance of the Cape of Good Hope as a Colony to Great Britain (London 1816), 46-47.
100. SACA, 22 Nov. 1834; 11 Mar. 1835 and 6 Jan. 1836.
101. CA, S020/59, "Power of Attorney Registry Book" 1836-1837.
102. SACA, 22 Nov. 1834; 11 Mar. 1835 and 11 June 1836.
103. SACA, 22 Nov. 1834; 11 Mar. 1835; 6 Jan. 1836 and 3 Dec. 1836.
104. SACA, 22 Nov. 1834; 11 Mar. 1835; 6 Jan. 1836 and 11 June 1836; see Warren, "Merchants, municipal commissioners...", 56, for details of the Venning firm.
105. In a slave compensation advert in the CGHGG, 17 June 1836, the two firms' connection is made clear; the name of Daniel Dixon is mentioned in SACA, 11 Mar. 1835 and 6 Jan. 1836 in the London Society contexts.
106. SACA, 22 June 1836. Ewan offers the assistance of his brother.
107. Wm. Borradaile, Sons & Ravenhill is mentioned in the London slave memorial (SACA, 22 Nov. 1834); Abraham Borradaile chairman of the London bank meeting (SACA, 11 Mar. 1835) and in connection with frontier compensation (SACA, 6 Jan. 1836). For information on both Christian and the local Borradaile, see Warren, "Merchants, municipal commissioners...", p. 245-246, appendix B and C.
108. See below where Guthrie is mentioned as agent of Hamilton Ross and others, 111-112.
109. For information re Thomson, Watson & Co., see Warren, "Merchants, municipal commissioners...", 245-246, appendix B and C; for proof of J.D.'s connection see CA, S09/2, 19 June 1832.
110. SACA, 11 Mar. 1835.
111. J.N. Smalberger, Aspects of the History of Copper Mining in Namaqualand (Cape Town 1975), esp. 49, note 10, for mention of partners; Warren, "Merchants, municipal commissioners...", 246, lists an August John Phillip and the Almanac, 1838 mentions a John King, merchant; SAL, Manuscripts collection, MSB 375, "Phillips Power of Attorney to John King", in which Silvanus and Charles Phillip give power of attorney to John King, 1838; see below, 103, 105-106.
112. E. Blancheton, Exposition Universelle Colonie de Bonne Esperance: Vade-Mecum (Cape Town 1855), 45-56.
113. Hengherr, "Emancipation and after", 60; Cottrell, "Commercial enterprise", 239-240; for the importance of wool correspondents in London, see below, 111. The role of the corresponding firm at the Cape awaits future investigation. The more global context as sketched by Cottrell has thus far been neglected by historians of the Cape.
114. Hengherr, "Emancipation and after", 61-62; SACA, 20 Jan. 1836.
115. CA, S020/59, "Power of Attorney Registry Book" 1836-1837. According to additions made by the author on the basis of the lists of awards, some 4880 awards were made - S020/47-49, "Lists of the Awards of the Commissioners of Compensation" 1836-1837, 1837-1838 and 1838-1840. According to Hengherr, "Emancipation and after", 56, some 6093 claims were at stake and according to Liebenberg, "Die vrystelling van die slawe", 168, some 6400. The percentage figures 45% and 59%, representing compensation agency, were calculated on the basis of a possible 6400 awards and a possible 4880, respectively.
116. SACA, 28 Oct. 1835; 25 June 1836; CGHGG, 23 Dec. 1836; SACA, 11 Oct. 1837.
117. SACA, 29 May 1839; see ZA, 24 Mar. 1837 for same percentage.
118. CGHGG, 9 June 1837; SACA, 25 Feb. 1837.
119. Ibid., 11 Mar. and 19 July 1837.
120. Ibid., 29 May 1839; for another contemporary criticism of agency activities, see A Traveller, The Cape of Good Hope: A Review of its

- Present Position as a Colony: Information which may be of Advantage to the Intending Settler (Glasgow 1844), vii.
121. SACA, 10 Feb. 1836; CGHGG, 23 Dec. 1836; Hengherr, "Emancipation and after", 61.
 122. CA, S020/47, claim 5676, 5219, 5544, 5552, 5561, 6192 and S020/49, claim 6105A.
 123. T.E. Kirk, "Self-government and self-defence in South Africa: the inter-relations between British and Cape politics 1846-1854" (DPhil, Oxford University, 1972), 142; Warren, "Merchants, municipal commissioners...", esp. 45ff.
 124. SACA, 28 Sept. 1831.
 125. Arkin, Storm in a Teacup, 116.
 126. ZA, 19 Dec. 1834, correspondent "Shopkeepers", taken up in SACA, 27 Dec. 1834, by "A Subscriber", reflecting this conflict; see Usury debate, above, 59, for reflection of tensions between merchant and shopkeeper; and see below, note 99 (ch. 4).
 127. See above, 64.
 128. N. Worden, Slavery in Dutch South Africa (Cambridge 1985), 84.
 129. Shell, "Slavery at the Cape of Good Hope", 198-208; Worden, Slavery in Dutch South Africa, 36-39.
 130. Franken, " 'n Kaapse huishoue in die 18de eeu", 66.
 131. Shell, "Slavery at the Cape of Good Hope", 206.
 132. B. and N. Warner, Maclear and Herschel: Letters and Diaries at the Cape of Good Hope 1834-1838 (Cape Town 1984), 35-36.
 133. Warren, "Merchants, municipal commissioners...", 65-66, 253, Appendix F.
 134. Ibid., 31-32.
 135. Ibid., 34.
 136. Ibid., 36.
 137. Worden, Slavery in Dutch South Africa, 92-93; R.J. Ross, "Cape Town 1750-1850: synthesis in the dialectic of continents", in R.J. Ross and G.J. Telkamp (eds), Colonial Cities (Dordrecht 1985), 116; see also S. Judges, "Poverty, living conditions and social relations: aspects of life in Cape Town in the 1830's" (MA, UCT, 1977), 77, 80.
 138. CA, S020/59.
 139. Immelman, Men of Good Hope, 59, for a reference to a P. Home at the 1825 Cape of Good Hope Trade Society meeting; see above, 68 for a reference to the triad.
 140. SACA, 25 June 1836.
 141. J.H. Hofmeyr was an advocate and notary - Almanac, 1839; see advert ZA, 9 Dec. 1836.
 142. CA, S020/47, claim 5953; 5759; 6343, 6404; 5765, 5754; 6190; 6555, 5390, 4786, 4086; Almanac, 1838; for the doubtful possibility of this being another Petrus Michiel Brink, see De Villiers and Pama, Geslagsregisters, Deel Een, A-M, 102-104.
 143. Rayner, "Wine and slaves", 101, see also 95-102.
 144. See below, 76-81.
 145. Hengherr, "Emancipation and after", 68; Warren, "Merchants, municipal commissioners...", 47.
 146. SACA, 19 July 1837.
 147. Almanac 1837; further details 1838.
 148. Ibid., 1838-1839; SACA, 25 Aug., 29 Aug., 19 Sept., 17 Nov. 1838.
 149. SACA, 2 and 9 Nov. 1836; Almanac, 1836.
 150. SACA, 6 Aug. 1838, 11 July 1838, 30 May 1838 and 17 June 1837, 12 Sept. 1838.
 151. This was the forerunner of Syfrets. It had been formed in 1834 to fill the gap of the long-standing but recently disbanded Orphan Chamber. A couple of ex-Orphan Chamber members such as the already-mentioned G.E. Overbeek and J.J.L. Smuts became shareholders in the SAAA&SE - see unsorted archival papers, South African Association for the Administration and Settlement of Estates, housed in Syfrets, Cape Town, for full lists of members. Like wine merchanting, the Orphan Chamber may have been an early, important avenue of business experience

for the local bourgeoisie. A study of this key institution of Dutch rule at the Cape still needs to be made.

152. Almanac, 1833 and 1834.

153. Almanac, 1839.

154. See above, 69-70.

155. Ibid., 74.

156. CA, S020/47, claim 5720; Almanac, 1838.

157. CA, S020/47, Watermeyer - claim 6450, £289-16-3 and 6484, £350-5-2 and Hofmeyr, 4808, £40-19-5; Warren, "Merchants, municipal commissioners...", 255-258, Appendix H.

158. CA, S020/47; Warren, "Merchants, municipal commissioners...", 255-258, appendix H; Almanac, 1839.

159. SACA, 8 Aug. 1838.

160. Ibid., 1 Sept. 1838 and 31 Aug. 1839.

161. Ibid., 17 Oct. 1838.

162. See Ibid., 26 Oct. 1839, a letter from "An Enquirer", describing a link between the Dutch and South African Bank vs English merchants and their banks.

163. SACA, 30 Mar. 1839, 2 and 9 Nov. 1839.

CHAPTER THREE CAPITAL AND COMPANY GROWTH 1840-1859

3.1 Introduction

The basic question to be answered in a study of early commercial growth in Cape Town, is what were the sources of capital in a colony with little or no manufacture and limited mining development, where much of the monetary wealth was thus concentrated in the hands of farmers and merchants? Commercial growth at the Cape was evident in the establishment and operation of various firms and their larger, corporate manifestation, joint-stock companies. Of a mainly finance nature - banks, trust and insurance companies - these were to become an increasingly familiar phenomenon during and after the 1830s. The problems posed include the extent to which agriculture and trade were the main source of such capital growth, the role overseas capital played in company formation and how adequate local capital sources were in a period in which production was generally so ill-developed, despite a relatively rapid growth in agriculture?

3.2 Economic outline of the Western Cape and John Fairbairn's *Advertiser*

Chapter Two showed that in the late 1830s the Western Cape, specifically Cape Town and its suburbs, underwent a period of considerable expansion. Economic growth was primarily, though not exclusively, encouraged by the arrival of the slave compensation money. Culminating in an economic boom, the period marked the emergence on a significant scale of a local commercial bourgeoisie, whose growth broke the traditional hold on commerce exercised by a few, mainly British-connected merchants.

By the beginning of 1839, however, the economy had slumped, a development immediately commented upon by Fairbairn. (1) The recession persisted for some four years. Annual reports of the Cape of Good Hope Bank and the South African Bank commented on the great pressure on the money markets experienced during both 1839 and 1840. (2) Fairbairn described 1841 as a year of "dull" commerce and trade, though his review of 1842 struck a somewhat more optimistic note. (3) He remarked a month later: "The reader

will find below the Annual Reports of the Banking Establishments in this Colony. They appear to be carrying on a safe and prosperous, if not very brilliant trade. The other Companies, such as there are for insuring, etc. are we understand, in an equally secure and flourishing condition." (4) The depressed state of the economy at the time was indicated by the cessation in the establishment of new banks between 1838 and the year 1844, when the Colonial Bank was founded. (5).

Fairbairn remained mildly optimistic about economic progress achieved during 1844. Then in February 1845 he began talking of the prospects of a second economic boom, as a result of a great increase in government revenue, gained by the issue of guano licences. (6) By the beginning of 1846 his opinion of the improving economy had definitely firmed.

"Generally within the Colony the year 1845 has been one of increase" - more extensive cultivation and a great extension of commerce - "a population better fed, better clothed and decidedly more wealthy", he remarked. (7) And by late 1846/early 1847 Fairbairn was convinced of the advent of a boom, characterized by a fresh spurt of company formation. This he ascribed to military expenditure connected to the Frontier War of the Axe: "Already the expenditure caused by this war is filling the pockets and stopping the mouths of the trading and dealing portion of the community". A few months later he informed readers of the establishment of two new banks, heavy subscription of shares in the Natal Cotton Company and the ripeness of the mercantile community in Cape Town for this extension of business. (8)

In the years that follow till the end of Fairbairn's editorship in 1859, his customary annual reviews, which accompanied his Compliments of the Season published in early January, remained generally full of positive comment on the economy, the period witnessing continued and unprecedented growth. While he referred to a minor mercantile crisis in mid-1854 and spoke of insolvencies in the wake of the copper-mining crash, it was,

ironically, in the last months of his editorship that there occurred the first severe economic crisis of the period. (9) The overall economic buoyancy was due largely to the rapidly expanding demand for raw wool by the world's leading industrial nation and textile giant, Britain. The colony, particularly the Eastern Cape, managed with a large measure of success to meet these market demands. However, expansion in the Western Cape during the period cannot simply be viewed as a function of the rapid expansion of colonial wool farming, as much of the local profits were directed to the Eastern Cape. (10)

Fairbairn had from early on outlined the potential wealth promised by merino sheep farming. In a March 1846 editorial he mentioned his early prognosis and recounted the progress achieved thus far:

In 1835, the quantity of wool exported from the Cape, was lbs. 117,634. In 1845, it was lbs. 3,194,602. The increase in ten years has been about thirty-fold. And the quantity of wool shipped at Port Elizabeth since the beginning of this year (1846) makes it likely that the increase will be greater than that of any preceding year. In the "Advertiser" for January 12, 1839, eight years ago, an estimate was risked of the probable increase in Cape Wool, for eight years from 1837, - in these words:- "If the rate of increase be the same for the next eight years, from 1837, and everyone acquainted with the circumstances of the Colony must be satisfied that it will be much greater, - the quantity of wool shipped in 1845 will be Three Millions, Five Hundred and Eighteen Thousand, Two Hundred and Forty Pounds Weight." This is not very far from the mark. (11)

A.J. Christopher has pinpointed 1846 (the year of this editorial), as the take-off point for merino wool farming in the Cape. According to Christopher: "Between 1846 and 1855 a spectacular transformation occurred as merino flocks spread across the Colony." (12) By 1855 the colony was producing 8,2 million lbs of wool and exporting 12 million lbs. Annual average wool exports between 1855 and 1859 amounted to £984 000, testifying to the rapid growth and singular importance of wool during the period covered by this study. Wool export revenue overtook wine, the Cape's first and long-standing export staple, between 1840 and 1844, when average wine and wool export figures totalled £58 000 and £73 000, respectively. (13) The severe recession which set in after 1859, again can largely be ex-

plained by the wool sector and was caused by both drought and the collapse of overseas wool prices, though other additional market and structural problems also contributed. (14) Wool farming's increasing importance by 1860 was reflected by Port Elizabeth's overtaking of Cape Town, in relation to the volume of trade conducted through their respective ports. (15) By 1863 the Eastern Province's economic significance was expressed in the fact that head offices of the two Imperial banks, the London and South African Bank and the Standard Bank, were both located in Port Elizabeth. (16)

Yet, the growth in economic strength of the Eastern Province's local ruling class, composed of merchants and farmers, was not reflected in a proportionate increase in social and political influence. Its power was curtailed by the Western Province's superior influence, both in government and society, and by the Western Province's earlier established economic leadership, though later both regions were to suffer relative decline as a result of the mineral discoveries in Kimberley and on the Rand. Thus, despite all the auguries as to the growing commercial predominance of Port Elizabeth, Western Province merchant capital was generally able to maintain its superiority on the basis of its own economic production. (17)

As Purkis has observed:

The port wholesalers of Cape Town had their own London correspondents bound to them by links of credit that pre-dated those established between London and Port Elizabeth; they were agents for shipping and insurance companies; they exported wool, wine and other produce of the South Western Cape to Great Britain, and wine, fruit, tobacco, brandy and wheat to the Eastern Province. The victualling of ships with meat and fresh provisions continued. Supply and shipment of copper increasingly significant fell to Cape Town merchants. Cape Town was the biggest single concentration of population. So there were great demands for imports, especially as Cape Town was the seat of government and there was a considerable amount of trade amongst local traders in the south west. Cape Town therefore remained a major financial centre. By 1871 the assets of Cape Town banks amounted to £1 800 000 while those of Port Elizabeth totalled under £1 200 000. (18)

It is to the elucidation of sources of capital in Cape Town and to an important manifestation of capital concentration, viz. joint-stock companies, that the remainder of this chapter addresses itself.

3.3 Synopsis of company development over the period

In February 1849 Fairbairn penned a laudatory editorial on joint-stock companies, providing a retrospective of developments to date: "The readers of the Advertiser will recollect that for many years between 1830 and 1840, much was written on the nature and value of JOINT STOCK COMPANIES for carrying on various kinds of business such as Banking, Assurance and similar undertakings, in which large capitals are required to secure public confidence, and which can be effectively managed by Committees or Boards of Directors. The following list shows what has been accomplished in this department since 1830:—" (19)

Table 3.1 COMPANY CAPITAL AT THE CAPE 1849

		Paid	Present Value
1831	S A Assurance Company	£ 2 000	£ 26 000
1834	S A Association Estates	£ 15 750	£ 18 805.10
1835	C G H Trust Company	£ 17 100	£ 20 700
1837	C G H Bank	£ 60 000	£105 000
1838	S A Bank	£ 60 000	£ 91 000
1838	C G H Marine	£ 15 000	£ 24 700
1838	Board of Executors	£ 10 000	£ 11 500
1838	Protecteur	£ 10 000	£ 34 000
1843	Fishing Company	£ 2 456	£ 3 684
1844	Gas Light Company	£ 9 000	£ 11 100
1844	Colonial Bank	£ 60 000	£ 71 900
1844	Equitable Assurance	£ 5 000	£ 9 000
1847	Union Bank	£ 75 000	£ 77 250
1847	Natal Cotton Company	£ 8 000	£ 9 000
1847	W P Bank	£ 5 000	£ 6 500
1838	E P Bank	£ 26 670	£ 60 000
1839	E P Fire Company	£ 2 000	£ 8 000
1845	E P Trust	£ 1 500	£ 2 700
1846	Port Elizabeth Bank	£ 16 000	£ 23 200
1847	Frontier Comm. & Agr. Bank	£ 37 500	£ 41 200
		£437 976	£655 239.10

(Source: SACA, 3 Feb. 1849)

In 1849 the market value of these shares, £655 239-10, represented therefore an increase of c.50% on the original investment, leading Fairbairn to remark in the same editorial: "In general, handsome dividends have been paid to the Share-holders, annually, or half yearly". (20) The major part of the paid-up capital of these companies, £346 306, derived from the Western Province. A Natal-based company accounted for only £8 000 and the

Eastern Province some £83 670. Fairbairn's listing excluded the Savings Bank and the Mutual (the latter of which he was chairman and director) because these companies' capitals were not divided into shares and were unavailable for public sale. However, like the companies listed, the capital stock of the Savings Bank and the Mutual was available for loans and mortgage transactions, which helped to swell the local capital market.

(21)

At its peak the mid-50s copper-mining boom resulted in company formation worth some £70 000-£100 000 in paid-up capital, a significant proportion of which was lost in the aftermath of the crash. (22) Besides this, the course of the 1850s also saw the founding of many new companies, in particular a number of country banks. By 1860 government statistics (see Table 3.2 below) showed that the paid-up capital of the five Cape Town banks amounted to £374 608, Western Province banking capital (Cape Town included) to £496 104, and Eastern Province banking capital to £326 016. For the moment the capital of the overseas-floated London & South African Bank has been excluded. (23)

Table 3.2 BANK CAPITAL AT THE CAPE 1860

Name	Place	Capital	Shares	Paid-up
Cape of Good Hope Bank	CT	£ 75 300	1 506	£ 75 300
South African Bank	CT	£100 000	2 000	£ 75 000
Colonial Bank	CT	£100 000	2 000	£ 60 000
Union Bank	CT	£150 000	15 000	£ 75 000
Cape Commercial Bank	CT	£144 000	12 000	£ 89 308
Stellenbosch Bank	Stell.	£ 20 000	2 000	£ 10 000
W P Bank (1859)	Paarl	£ 40 000	2 000	£ 30 000
Paarl Bank (1859)	Paarl	£ 60 000	4 000	£ 20 000
Wellington Bank (1859)	Well.	£ 50 000	5 000	£ 19 871
Worcester Commercial Bank	Worc.	£ 20 000	2 000	£ 14 000
Beaufort Bank	Beauf.	£ 50 000	2 525	£ 12 625
Swellendam Bank	Swell.	£ 15 000	3 000	£ 15 000
George Divis. Bank	George	only recently established		
P E Bank	P E	£ 40 000	2 400	£ 36 000
Commercial Bank	P E	£100 000	10 000	£ 60 000
E P Bank	G's Town	£100 000	3 200	£100 000
Frontier Comm. & Agr. Bank	G's Town	£125 000	2 500	£ 62 500
Fort Beaufort Bank	F Beauf.	2 500
Somerset Bank (1859)	Somerset	in course of establishment		
Cradock Union Bank	Cradock	£ 30 000	1 500	£ 12 603
Graaff-Reinet Bank	G-Reinet	£ 40 000	1 600	£ 24 000
S A Central Bank	G-Reinet	£ 40 000	4 000	£ 20 000
Queen's Town Bank	Q's Town	£ 20 000	2 500	£ 10 913
		£1 319 300		£822 120

(Source: *Colony of the Cape of Good Hope [Blue Book] 1860*)

A compilation from various sources is presented in Table 3.3 below, indicating the approximate capitalisation of joint-stock companies, other than banks. It then becomes possible to arrive at a total of Cape Town/Western Province company capital in the year 1860, a year beyond the terminal date of this study, but a convenient stopping point, before the arrival of the first Imperial bank. The year also marked the legal solution of the usury question, which was to have an significant impact on company development. (24)

Table 3.3 CAPITAL OF CAPE TOWN NON-BANKING JOINT-STOCK COMPANIES 1860

Name	Capital	Shares	Share value	Paid-up per share	Paid-up capital
SA Fire & Life Ass. Co. (1831)	£20 000	200	£100	£ 10	£ 2 000
SA Assoc. for Admin. & Settl. of Estates (1834)	£31 500 (perhaps £19 761)	84	£375 (perhaps £335-5)	£375	£ 31 500 (perhaps £19 761)
CGH Trust & Ass. Co. (1835)	£22 500	900	£ 25	£ 19	£ 17 100
CGH Marine Ass. Co. (1838)	£75 000	1 500	£ 50	£ 10	£ 15 000
Protecteur (1838)	£40 000	2 000	£ 20	£ 5	£ 10 000
Board of Executors (1838)	£16 500	60	£200	£275 (£200)	£ 16 500
Equitable Fire Ass. & Trust Co. (1844)	£25 000	1 000	£ 25	£ 5	£ 5 000
CGH Gas Light Co. (1844)	£ 9 000	600	£ 15	£ 15	£ 9 000
Equitable Marine Ass. Co. (1849)	£75 000	1 500	£ 50	£ 5	£ 7 500
Commercial Marine & Fire Ass. Co. (1855)	£50 000	2 000	£ 25	£ 5	£ 10 000
Colonial & Orphan Chamber & Trust Co. (1856)	£40 000	200	£200	£200	£ 40 000
General Estate & Orphan Chamber (1856)	£20 000	100	£200	£200	£ 20 000
Simon's Bay Dock Co. (1859)	£60 000	12 000	£ 5	£ 5	£ 60 000
					£243 600

(Sources: SACA, 2 Oct. 1844; SACA, 13 Feb. 1855; SACA, 22 Dec. 1860; SACA, 20 Nov. 1861; Almanac, 1848; Almanac, 1860, CGH Act No. 11, 1844; CGH Act No. 9, 1855; CGH Act No. 13, 1859; CGH Act No. 17, 1859; CGH Act No. 31, 1861)

In 1860, therefore, Western Cape non-banking joint-stock capital equalled £243 600. Coupled with the £496 104 banking capital, the total of paid-up Western Cape company capital in 1860 amounted to £739 704. Of this sum Cape Town accounted for the major portion. Its capital alone totalled £618 208. The figures indicate that Western Province company capital (mainly Cape Town) had more than doubled in the period between 1849 and 1860.

The year 1861 witnessed further important developments in company formation. Besides the passing of local limited liability legislation, a set of new companies, viz. the Sea Point Waterworks Company, the Wynberg Railway Company and the Cape Town & Green Point Tramway Company, were incorporated with limited liability, in terms of separate Acts. The year also saw the establishment of two more local banks in the Western Province - the Caledon Agricultural Bank and the Montagu Bank. (25) In 1861 the London & South African Bank, the first Imperial bank to be formed for business in South Africa, added its capital to the only other overseas-floated company, the Cape Town Railway & Dock Company. Overseas company capital in 1860-1861 is presented below.

Table 3.4 CAPITAL OF OVERSEAS COMPANIES IN CAPE TOWN 1860-1861

Name	Shares	Share value	Paid-up per share	Paid-up capital
C T Railway & Dock Co. (1855)	30 000	£20	£10	£300 000
London & S. African Bank (1861)	20 000	£20	£10	£200 000
				<u>£500 000</u>

(Source: *Cape of Good Hope (Blue Book)* 1861; SACA, 20 Nov. 1860)

While overseas companies appeared relatively late on the local scene, their larger size compared to local companies is immediately apparent. The only local institutions to rival the scale of operation of overseas concerns are five banks, viz. the Eastern Province Bank (£100 000 paid-up); Cape Commercial Bank (£89 308 paid-up); and the Cape of Good Hope Bank, South African Bank and Union Bank (each more or less £75 000 paid-up). Clearly, the London & South African Bank's capital of £200 000 dwarfed the individual capitals of the Cape Town banks, alone representing about 53% of the combined capital of all the Cape Town banks. The Cape Town Railway & Dock Company's capital in 1860, £300 000, once again outstripped all local companies; on its own exceeding the sum of all non-banking joint-stock companies in Cape Town, which amounted that year to only £243 600.

Comparative British data for 1853, relating to provisionally listed companies (i.e. not all of which went into operation), in a period preceding

the major joint-stock company era, reveal a total of 339 company ventures. These consisted of 80 railway projects, 54 gas operations, 35 insurance schemes, various mining, shipping and trading projects and 30 manufacturing-related operations. For the five years ending 1861, the annual average was 381 companies with a total nominal capital of £21 000 000. By 1864 there were 975 registered companies with a nominal capital of £235 000 000 and a paid-up capital of £24 229 633. (26) In 1841 there were 321 private banks and 115 joint-stock banks in England and Wales. (27) In 1844 the London Joint Stock Bank advertised a capital of £3 million, as did the Union Bank of London, while the Union Bank of Australia boasted a capital of £800 000, the South Australian Banking Company £250 000 and the Bank of Australasia £1 200 000. In 1860 the National Bank of Australasia advertised its capital as £1 000 000 with a paid-up capital of roughly half - £540 000 - and the National Provincial Bank of England a subscribed capital of £2 100 000 and a paid-up capital of roughly half - £1 080 000. (28) It must be concluded from these figures that local capital concentration was on a relatively small scale. Nevertheless, company developments at the Cape in the first half of the century were significant and the changes, particularly after 1859, proved very crucial.

3.4 Unsuccessful company ventures

Rumours of the impending arrival of overseas companies were fairly frequent in the Advertiser. (29) There were also a number of unsuccessful overseas attempts at floating companies for business in the colony. Interesting in this regard were Fairbairn's rather empty threats to invite overseas investors at times when local enthusiasm for such company ventures showed signs of flagging, although there was at that point little evidence of overseas capital materializing. (30)

Early unsuccessful ventures devised in London included the 1836 Bank of South Africa scheme which, with largely Bank of Australasia shareholders, advertised a capital of £15 000 divided into 6 000 shares of £25 each.

(31) This emerged as a rival scheme to J.B. Ebden's proposed bank, the Cape of Good Hope Bank, backed by the Cape of Good Hope Trade Society. Despite much news of high share premiums in London and the bank's imminent arrival, including machinery, the overseas project failed, leaving the field open for Ebden's bank. (32)

The ambitious prospectus of the South African Company also appeared in 1836. The company advertised a capital of £200 000, divided into 8 000 shares of £25 each, of which 1 000 were initially to be reserved for the Cape. Its prospectus ran: "The increase of commercial enterprise in all the British settlements throughout the southern hemisphere, and the opening of trade with India, tend to show that the Cape of Good Hope and adjacent districts, when the natural resources of the colony are developed by the introduction of capital under judicious management, will become, at no distant period, one of the most important colonies under the British Crown." Aims included the establishment of a whaling station, fishing stations, the emigration of seamen, mechanics and superior agriculturalists and the laying out of farms for purchase. It claimed to have the encouragement of "influential persons connected to the agricultural and commercial interests of the colony". The involvement in the company of John Price Simpson of Simpson Brothers of London and Cape Town and Daniel Dixon of Hudson, Donaldson & Dixon of Cape Town/Donaldson & Dixon of London, both parties connected with the Cape of Good Hope Trade Society, thus comes as no surprise. Included among the London directors were Horace Twiss MP; John Chapman & Co., shipowners, ship and insurance brokers, 2 Leadenhall St.; Alexander Milne, ship and insurance broker, 20 New East India Chambers; and Richard Norman, merchant, 2 New Broad Street. (33) However, this scheme, like the Bank of South Africa, fizzled out quickly.

The third overseas capital venture to die prematurely was the Cape of Good Hope Western Railway Company of 1845-1846. Its collapse was predicted by Cape's commercially-minded Attorney-General, William Porter, who refused

to have his name associated with the Company. Like the South African Company, the scheme incorporated merchants with twin Cape Town and London connections amongst its directors, as for example J.R. Thomson and Harrison Watson, both connected to Thomson, Watson & Co. The main impetus came, however, from directors of such British railway companies as the Leeds & Carlisle Railway, the Great Eastern & Western Railway, the Guernsey Railway & Pier Company, the Wilts, Somerset & Southampton Railway and others. (34) The project likewise aborted and railway-building at the Cape was only to get off the ground during the 1850s.

A certain amount of continuity between these failed overseas ventures and the later successful overseas companies is evident, for instance, in the appearance of a man such as Edward Barnard, Agent for the Crown Colonies as a proposed director of the failed South African Bank and later as director of the successful Cape Town Railway & Dock Company. (35) Also noteworthy is the re-occurrence of directors of the former failed 1844 railway company in the successful Cape Town Railway & Dock Company. An example in this regard is the presence in both companies of partners of the London-connected firm of Thomson, Watson & Co., who were later also involved in the Imperial London & South African Bank. (36)

The failure of these early overseas schemes points partly to the limited scope for large-scale company development at the Cape and partly to the lack of a legal investment structure, as will be examined later in the chapter. The aborted attempts may presumably also be viewed as part of a process of investigation, undertaken by British investors in order to establish the potential and limits of the Cape market.

3.5 Overseas shareholding in local companies

London capital may nevertheless have reached the Cape in a more indirect manner, in the form of individual shareholding in locally founded companies or through the extension of credit facilities to local

The steamship company was one of the two local companies where con-

remarked: "Three hundred shares in the Cape of Good Hope Bank were reserved for London purchasers" and he concluded that "many of these shares were held by London merchants with agents in Cape Town." (46) The existence of overseas shareholders would seem confirmed by the bank's founder Ebdon, who, as a member of the Cape Legislative Council, attempted to push through a private Bill for the bank's incorporation by special ordinance. In Council proceedings during 1836 he mentioned the need to obtain permission of overseas shareholders to effect an alteration in the bank's structure. (47) In 1838 the Cape of Good Hope Trade Society's annual report outlined its role in the establishment of the bank as (1) the unsuccessful attempt to gain British government sanction for the bank Ordinance (2) the sending out of books and banknotes and (3) sharetaking. (48)

Despite these indications, however, the significance of overseas shareholding in the bank is less than the evidence suggests. In this case, as generally, it is difficult to distinguish neatly between overseas and local capital in situations of interconnected and family concerns. Though one can in fact confirm almost all the bank's shareholders as resident in Cape Town in 1838 (49), this is also no conclusive counter-argument as to non-overseas participation. Firstly, there was a general perception, obviously soundly based and reflected even by Fairbairn, that the English merchant was typically a temporary colonial resident, who tended to retire "home", i.e. England. (50) Secondly, some of the London-based merchants with Cape connections spent short spells at the Cape, in order to acquire first-hand knowledge of commercial conditions in the colony as William Harrison, merchant of Manchester, recounted he had done in 1830-1831. (51) Thirdly, in one and the same firm, a father might be resident in London, while the son took up more permanent residence in Cape Town, as in the case of the Thomson, Watson & Co. (52) For such reasons it is difficult in this period to place overseas-connected merchants in watertight categories, as representatives of overseas capital, opposed to local capi-

tal.

Such ambiguities at the Cape form but part of a wider British and international mercantile phenomenon. The period 1770-1860, according to Jones, saw the emergence of new patterns of trade, which were the result of trade dislocations experienced during the Revolutionary and Napoleonic Wars, the breakdown of the mercantilist order and the advance of manufacture. A consequence of these new trends was the creation by the mid-19th century of a "truly cosmopolitan bourgeoisie, trading internationally under British naval protection." (53) In such a system "Sons of British and European manufacturers and merchants travelled the world in search of export markets, and often settled in some trading port only to develop a business quite tangential" - in a kind of mercantile diaspora. At that time a letter of introduction and a clean record was enough for an aspiring merchant to make his way around the world. (54)

Undoubtedly, there were amongst the Cape of Good Hope Bank shareholders a significant contingent of merchants with a London family house or agency link. Some of these on individual investigation could prove to differing extents, to be more London-based, others residents at the Cape for much, if not most, of their lives. The ambiguity of the situation is manifest in the presence amongst the bank's shareholders of typically London-connected merchants, such as John King of Phillips & King of London and Cape Town, S.B. Venning of Venning, Busk & Co. of Cape Town/ William Venning & Co. of London and Harrison Watson of Thomson, Watson & Co. of Cape Town/J.R. Thomson of London, to name just a few. (55)

3.5.3 Other shareholding and agency activity of London-connected merchants

London-connected men were also represented individually in other companies, though not as strongly as in the Cape of Good Hope Bank. The favoured companies were the already-mentioned Cape of Good Hope Steamship Co., Cape of Good Hope Marine Assurance Co. and Cape of Good Hope Trust &

Assurance Co. In 1845 Harrison Watson of Thomson, Watson & Co. was a director of the Cape of Good Hope Trust & Assurance Co. and C.S. Pillans of Borradaile, Thompson & Pillans a director of the Cape of Good Hope Marine Assurance Co. (56) In 1860 James King of Phillips & King and Thomas Hall of Borradaile, Thompson, Hall & Co. were directors of the Cape of Good Hope Trust & Assurance Co. and J.D. Thomson of Thomson, Watson & Co., as well as the previously mentioned Thomas Hall, directors of the Cape of Good Hope Marine Assurance Co. (57) In 1840 G. Hodgskin of Heideman, Hodgskin & Co., H. Sherman of Levicks & Sherman and Harrison Watson of Thomson, Watson & Co., all with London connections, featured as directors of the short-lived Cape of Good Hope Steam Navigation Co. (58) It is interesting to note that the firm of Phillips & King, who began with wine export in characteristic English merchant tradition, became intimately involved with the copper-mining discoveries of the 1850s. As early as 1846 that firm was associated with the South African Mining Company, the first successful company formed to exploit Namaqualand's copper resources. Members of the firm continued to exercise influence in the important Cape Copper Mining Company, established in London in 1862. (59)

Not surprisingly, the names of these very same London-connected merchants, as well as their London-based associates and family, appear again amongst shareholders of the two successful London companies, floated for business in South Africa during this period. Thus the early London-based directors of the Cape Town Railway & Dock Company included Harrison Watson of Thomson, Watson & Co. of Cape Town/J.R. Thomson & Co. of London and Charles J. Busk of Venning & Co. of London/McDonald, Busk & Co. of Cape Town, while local management incorporated Thomas Watson, son of Harrison Watson, also of the connected firm of Thomson, Watson & Co., George Thompson of Thompson, Hall & Co., and John Barry of Swellendam's Barry and Nephews. (60) Similarly, the directors of the London & South African Bank in 1860 included Joseph Levick of Levicks & Sherman, John Robert Thomson of Thomson, Watson & Co., John Barry of Barry & Nephews and Adolphus Mosenthal of

Mosenthal & Co., all advertised as representing firms in London and Cape Town. (61)

London-connected merchants featured most prominently, however, as agents of British shipping and insurance companies. Here their interstitial, even comprador, role, situated between the colonial power and the colony, is clearly demonstrated. A listing of agency networks was published by the French consul, Monsieur Ernest Blancheton in 1855 (62), but such agency activities had been an early aspect of merchant growth, particularly in the period when very few local insurance and finance companies existed and before regular steamship services operated between Britain and the colony. (63) Illustrating this development are advertisements which appeared, for instance, in 1840. The firm of Thomson, Watson & Co. is named as agent of two insurance companies based in Calcutta, five in Le Havre and one in Amsterdam, as well as De Nederlandsche Scheeps-Redery of Amsterdam and the Bank of Australasia, of London, New South Wales and Van Diemen's Land. Dickson, Burnie & Co. advertised themselves as representatives of the Alliance, British & Foreign Fire & Life Assurance Company of London, the South Australian Company, the East India Company, as well as Lloyds. (64) Interestingly, such agency activities were often linked to consular office. The Cape Almanacs customarily listed serving consuls. In 1859, for example, J.D. Thomson acted simultaneously as consul for Belgium, Portugal, Russia, Spain and Sardinia. (65) Diplomacy was unambiguously the domain of commerce.

Overseas companies, then, were few and investment in local companies by foreign shareholders limited. Warren's contention that London firms supplied Cape Town companies with large sums of business capital and placed their wealth at the disposal of Cape houses, cannot be substantiated. (66) In support of his argument, Warren claimed that a London merchant house with an affiliate at the Cape - McDonald, Busk & Co. - may have agreed to a permanent loan of capital to help set up the colonial side of the busi-

ness. With regard to another company, he concluded from the evidence of a partnership agreement between its local and overseas affiliates that, both in funding and operation, the Cape Town partners of Thomson, Watson & Co. were entirely dependent on London. He cites as evidence for this the fact that J.R. Thomson & Co. of London was the local firm's sole agents in London, that true copies of the monthly books of account were to be sent to London and that restraints were placed on outside business activities. (67) While reflecting the relatively greater control by the London group, much of this was consistent with normal partnership agreements, which could restrain both parties with equal force or proportionately favour the partner who invested the larger sum of money into the firm. Thus, an 1829 agreement between the well-known merchant Hamilton Ross and two other local merchants, William Hawkins and John van der Berg, trading together under the name Hamilton Ross & Co. of Cape Town, placed mutual restraint on external business activities, though Ross was to reap a major share of the profits. The first condition stated: "The said parties hereby agree to and with each other, that they will not at any time during the continuance of the Copartnership exercise or carry on, or assist in exercising or carrying on, any trade or traffic on their own private account or benefit or on account or for the benefit of any other person or persons whomsoever, save the said Copartnership...", though the partners were individually entitled to purchase fixed property, such as land, houses and slaves. Profits and costs were to be divided in the following ratio:- Ross 6/12 Hawkins 4/12 and Van der Berg 2/12. While nothing, unfortunately, is stated about total capital stock, or about individual contribution, it would be logical to deduce that the proportions reflected the dominant capital input of the wealthiest partner, Hamilton Ross. (68)

Another partnership agreement dated 1830 between Benjamin and Daniel Phillips, connected to the house of Phillips & King in London, with similar overseas links to Thomson, Watson & Co., allowed Benjamin resident at the time in Cape Town to trade under the firm's name as a wine exporter, in

addition to the partners' combined business, allowing the profits from the wine trade to be taken solely by him. Daniel, situated in London, was at liberty to trade as much as he liked both in the UK and elsewhere. (69) Terms of restraint therefore varied from agreement to agreement. Looking at the Thomson, Watson & Co. deed, referred to by Warren, the proportionately greater profits obtained by the London partners (one of whom, John Robert Thomson, anyway, was, as Warren admits, the father of the Cape Town partner, James Duncan Thomson), reflected their greater capital investments. To deduce from this contract that the Cape Town firm was entirely dependent on London as regards funding and operation is an oversimplification. Foreign and local interests in such overseas-connected firms were all too often inextricably merged.

While some of the London-connected merchants were birds of passage, others, though retiring to England, left family and material possessions at the Cape. This was certainly the case with Thomas Watson and John Robert Thomson, both of Thomson, Watson & Co., a company with very significant overseas links. (70) Rather than always a case of London merchants with agents in Cape Town, it was often the case of Cape Town merchants with important, perhaps even crucial, London connections.

3.6 Reasons for lack of overseas capital

The infrequent appearance of British companies and shareholders at the Cape in the period under review is not surprising when seen within the context of contemporary capital export patterns from the industrializing world. The first 60 years of the 19th century were distinguished from the later decades by free competition and the export of goods. The period preceded that of the tremendous export of capital at the end of the century, the precise characteristic of which had led Lenin to define that period as "imperialism - the highest stage of capitalism". (71)

Europe and North America still received about half of British investment

during the second part of the 19th century, though an increasing proportion of 'new' investment was directed to the 'regions of recent settlement', such as Australia and South Africa. (72) Most British capital investment in the Cape during the 19th century was carried out via the Colonial Government, which up until the end of the century raised some £30 million for public works. The bulk of non-government mediated capital, still of an indirect/portfolio nature, was raised by London-floated mining companies in the wake of diamond and gold discoveries, accounting for an influx of some £6 million up to the mid-1880s alone. Non-diamond mining companies (merchants, banks and other companies), up to the mid-1880s, contributed to a capital inflow of some £4-5 million. (73) The chief influx of British capital to the Cape thus arrived via railways and minerals, mainly after 1885. (74) Whereas government investment guaranteed some security to overseas investors and minerals the prospects of high profits, most other enterprises were increasingly at a disadvantage in attracting overseas capital investment. The absence of British capital at the Cape before 1885 therefore reflected overseas capital export patterns, as well as the lack of local opportunities in the period - one of the infancy of railways and the beginnings of copper-mining.

The Cape's singular lack of success in attracting British capital, especially in contrast to Australia, was lamented upon by Fairbairn in an editorial of 1853. (75) Realization was apparently increasing that without British capital, economic development would be greatly impaired. (76) Mabin has mentioned that declining profit and interest rates in Britain and Europe in the 1870s and 1880s were possible, though not exclusive, reasons for the export of capital. When the relatively favourable rate of interest on overseas securities vis a vis domestic securities altered, a compensating factor, viz. increasing confidence in overseas issues, may have played a role. (77) Even if the interest rate is only a partial explanation for capital export, it is interesting to pick up from local contemporary writings an awareness of these very concerns.

Hugh Lynar who worked in the Attorney-General's office in Cape Town, was a housemate of William Porter, the Cape's Attorney-General. (78) Writing in 1844 to William's half-brother, Francis Porter still resident in Ireland, Lynar explained that money upon the best security at the Cape brought at least 6%, while it produced only 3% or 4% in Britain. He added "When I speak of six per cent I speak of Money lent on the best security - first mortgage upon landed property." (79) On many occasions the Advertiser's editor and correspondents commented that investment in the 'new' areas or colonies being generally less secure, yields higher interest, compared to rates prevailing in the 'old', stable areas, viz. the metropolitan countries. In 1854 Fairbairn spoke of the 6% interest obtainable at the Cape on railway investment, compared to some 4% payable elsewhere - including London - explainable by the riskier nature of colonial investment. (80) Yet, despite this tendency for a higher interest rate, overseas investment remained small; other already-mentioned factors (including the lack of suitable investment avenues) and the limit of 6% interest charged on bills of exchange and promissory notes, specifically, probably counteracted the attraction.

Ernest discussion of the 6% interest limit was raised at the start of the long battle against the so-called Usury Law, when merchants such as Ebdon, aided by the newly-arrived Irish Attorney-General, William Porter, and John Fairbairn, sought to have legislation on the subject introduced. In November 1839 Porter remarked on the necessity for the lifting of this limit, i.e. the repeal of the so-called Usury Law. In Van Dieman's Land and the United States, he said, rates of interest on promissory notes were around 12%. (81) Fairbairn also intervened in the debate, informing readers that other parts of the British empire offered an interest double that of the Cape. (82) While in practice more than 6% was often obtained by merchants - Lynar remarked "Men who deal in money making advances upon bills, get double that" [i.e. 12%] - to do so, he indicated, had a

definite stigma attached. Lynar mentioned the "vulgar prejudice" at the Cape which renders a higher than 6% interest "disreputable". (83)

The struggle that was initiated in 1839 by the commercial community, supported by Porter and Fairbairn, continued in parliament till 1860, despite the fact that as early as 1839 the Governor had concluded that no actual law existed at the Cape and therefore could not be repealed. (84) Finally, in 1860 an historic Supreme Court test case was conducted, Dyason vs Ruthven, which finally settled in favour of the plaintiff, the merchant Dyason, who had demanded 12% interest on a promissory note for £65, an interest rate Ruthven refused to pay. Interestingly, during this trial it was Porter, the Attorney-General, who appeared for the plaintiff. (85)

The significance of the ruling was highlighted a few months later by the editor who took over the Advertiser on Fairbairn's retirement at the end of December 1859. (86) He declared: "The cry from the colony for banking accomodation has often been repeated, but a response from home has hitherto been prevented by the apprehension of the effect of an absurd state of the law, which was suppose to fix the maximum legal rate of interest at 6%. By a recent unanimous decision of the Supreme Court in the colony, this point has definitely been solved, in a sense in consonance with the principles of free trade." (87) In September that year the editor went to the defence of remarks he had made relating to the arrival of the new Imperial bank, the London & South African Bank. He addressed himself on that occasion to J.C. Silberbauer, who was then campaigning to prohibit the new bank, in order to protect local banking establishments, of which he (Silberbauer) was one such shareholder. "...will Mr Silberbauer", the editor rhetorically enquired, "assert that he had not then heard of a proposal to establish an English Bank here, so soon as the decision of the Supreme Court, touching 'usury' should be made known." (88)

An important advance towards protection of risk-bearing investments, was

the successful implementation of joint-stock company limited liability legislation at the Cape. Introduced during the mid-century in Britain and soon afterwards at the Cape (1861), this legislation basically entitled shareholders' liability to be limited to the amount of their shares. (89) The importance of such legislation was reflected in the fact that the first successful company floated overseas for business at the Cape was one which was incorporated with limited liability in Britain, viz, the Cape Town Railway & Dock Company. In 1853 the company had announced its intention of obtaining incorporation by Act of (British) Parliament and by 1855 had obtained its own legislation, with the express advantage of limited liability. (90)

These two measures, the usury ruling and the joint-stock company limited liability legislation, were significant advances in terms of securing the basic framework in which overseas capital could operate at the Cape in future decades. (91)

3.7 The importance of the London connection

Despite its limited scope, overseas capital at the Cape nevertheless did play a role in the Cape economy in the era before the arrival of overseas banks and railway and mineral development. Its precise *modus operandi*, remains to be examined. The British connection was an important factor in the success of local firms. Its technical and strategic usefulness has already been pointed out in the obtaining of slave compensation money. Kirk has estimated that during the 1840s some 50 London firms with interests at the Cape can be identified. (92) The facilities provided by this connection cannot be underestimated. With a London partner, purchases from British manufacturers and wholesalers could be made on favourable terms and, above all, short-term commercial credit arranged. Lynar, writing to Francis Porter in 1841 about the latter's plans to emigrate to the Cape, explained the hardships of a merchant's/merchant clerk's life in Cape Town and asked Francis rhetorically "...where the capital to enable a young man

like you to import, or where the connection through which consignment might be had?" (93) This twin concern for either "capital or connections" clearly, was viewed at the time as the basic pre-conditions for successful merchant activity at the Cape. It was again emphasized by the editor of the Advertiser in 1860. Referring to a group of unstable credit-laden traders, he remarked: "They are not merchants, for they do not import their own goods, having neither the capital nor the connexions to enable them to do so..." [author's emphasis] (94)

Both Purkis, detailing commercial activities in the Eastern Province and Dubow, discussing wool merchants in Graaff-Reinet, have emphasised wool merchant credit which spread web-like from farmer to country shop-keeper, to port merchant and on to British merchant. (95) The time delay between shearing and the realization of wool sales at the periodic London auctions necessitated credit, particularly for farmers with little capital reserves. As long as wool was auctioned in London, this short-term credit network was an essential feature of the wool trade, arising out of its very nature. (96) A similar situation in the Western Cape is revealed in the Advertiser during the 1840s, the period of the wool farming take-off. Cape Town merchants advertised that they were willing to advance credit when purchasing wool, but on condition it was consigned to their London house. Thus J.B. Ebdon offered to make advances on wool if consigned to his London correspondent, A.A. Gower, Nephews & Co. Venning, Busk & Co. established a similar London pre-condition, adding that if clean wool was received, they would make advances without charging interest. (97) While the adverts point only to the local side of credit, i.e. within the colony, it is reasonable to expect that Cape Town port merchant credit extended back to London, just as the situation in the Eastern Province.

Confirmation of this importance of overseas short-term credit and the London "connexions" for the Western Cape, has indeed been established. The example is a letter of 1847 written by D.G. Guthrie & Co., well-known mer-

chants and bankers of London, who were London correspondents of Hamilton Ross, Richard Paxton, Dobie & Co. and other Cape Town merchants. (98) It is clear from this letter that Hamilton Ross had previously written to Guthrie, vouching for the sound financial standing of the partnership of Van der Byl and - none other - Francis Porter and requesting, on the two partners' behalf, an extension of credit to them by Guthrie. Guthrie replied that on the basis of Ross's recommendations he would "enter upon the execution of their [Porter and Van der Byl] orders without hesitation and they may expect their goods accordingly." Then, explaining his unwillingness to accede to certain other details of the arrangement, Guthrie reveals what must have been a quite general pattern of credit between London and Cape Town correspondents. The latter could enjoy credit not only for goods purchased overseas but also for local goods purchased for overseas consignment. Guthrie was willing to allow Van der Byl and Porter a limit of £1 000 credit for English goods on open account at 2 1/2% interest, to be paid off after six months, on condition that the turn-over proved large enough. Regarding cash advances for the purchase of local goods, Guthrie's conditions were: "We shall however impose a condition in respect to interest on our cash advances that after the expiration of 6 M[th]s on their Invoices they shall pay us your colonial Interest which we believe to be 6 p ct which will only be putting us on the footing of Mr Van der Byl's father as to the interest and it will I hope serve to induce early remittances whereas if we charge less than the Colonial Interest it is an inducement to defer remitting." (99) The London connection was therefore immensely valuable to Cape Town merchants in the sphere of short-term commercial credit, direct ordering of overseas goods and, no doubt, in providing advice in assorted financial matters.

Hugh Lynar's correspondence with Francis Porter further underlined the need for connections, albeit local in the case discussed below. It also indicates the capital investment required for entering a well-established partnership at the Cape and the orientation by Cape Town merchants to the

wool trade. Lynar, writing to Francis Porter in Ireland about fresh career prospects for him in Cape Town, stated:

William [Porter] has lately had conversations with Mr Ross and Mr Stein (principals perhaps in the first mercantile house here) as to the chances of doing anything for you, by investing from £1,000 to £2,000 in a mercantile business here. In Cape Town, it seems that little or no good could be done. But at one of the outports, Mossel Bay, for instance, they are satisfied that all reasonable expectations of a young man would be answered, provided he be really such as I described you to be - an intelligent, active, high-principled fellow, who would not be ashamed to help with his own hand in all the rough work of a country store, and was equal to rough living as well as rough work in the beginning of his career. It is to be hereafter determined whether you shall start on your own account [with the aid of William's loan], Ross giving you all the aid they can for the advantage to be expected from your dealings with them no less than through esteem for your long [?] brother; or whether you be made a partner in a branch of the house at Mossel Bay. The latter, I think, is the more desirable thing, because the name of Ross' house would be worth much, and the authoritative advice thereof perhaps worth more.

Lynar then went on to explain that "Mr Ross considers that the wool trade be the chief object" and that he (Ross) suggests that Francis bring out with him a wool-stapler from London, Liverpool or Manchester to act as store assistant, who "should be provided with a wife, to act as Housekeeper."! (100)

3.8 Local sources of capital

In the established absence of significant injections of overseas capital into the Cape, Hamilton Ross's advice to the prospective young merchant, regarding a wool trade orientation, serves as an introduction to the discussion of the source of Cape Town corporate capital. Agriculture, local trade and import/export, remained the chief sources of locally-generated capital during a period of almost negligible manufacturing and limited copper-mining. (101). Commercial and money-lending capital similarly arose chiefly from the sale of local agricultural goods, both at home and overseas, as well as the import of British manufactures and machinery.

Imports through Cape Town in the period 1838 to 1861 were slow to overtake the peak levels of 1838-1840, though they still apparently managed to keep slightly ahead of Port Elizabeth. Exports through Cape Town, increasing

over the period, were overtaken by Port Elizabeth as early as 1854. In terms of the total value of its trade (i.e. imports and exports combined), Port Elizabeth had clearly overtaken Cape Town by 1860. (102) Visiting shipping also increased, with Cape Town outstripping Port Elizabeth during the entire period. (103) These aspects are tabulated below.

Table 3.5 IMPORTS, EXPORTS, SHIPPING — CAPE TOWN AND PORT ELIZABETH 1838—1861

Imports Cape Town					
1838	1840	1845	1850	1858	1861
£917 963	£1 371 582	£783 059	£912 343	£1 450 322	£1 506 638
Exports Cape Town					
£311 911	£1 011 916	£331 142	£339 942	£ 704 243	£ 692 954
Imports Port Elizabeth					
£131 162	£ 88 665	£201 485	£354 749	£1 043 575	£1 147 342
Exports Port Elizabeth					
£ 52 412	£ 70 376	£181 694	£294 905	£ 947 419	£1 309 389
Shipping vessels CT					
	(inward)	469	475	749	607
	(outward)	367	469	757	582
Shipping vessels PE					
	(inward)	79	75	141	155
	(outward)	80	73	133	146

(Sources: *Cape of Good Hope [Blue Books]* 1838-1855; *Almanacs* 1858 and 1861; CA, Chamber of Commerce records, Minutes 1861, CC3/1/1/1/1)

The general economic expansion, outlined here, steadily increased the scope of commercial activity. And it was largely on the basis of the amalgam of this commercial wealth, their joint stock, literally speaking, that Cape Town companies and banks were formed. As Fairbairn had remarked earlier on joint-stock companies:

They are called into being chiefly where the attainment of the object in view requires more capital than any Individual is able to command, or willing to apply to the same purpose. This method of combining the capital and enterprise of large numbers of persons, and directing them to one object, is peculiarly requisite in countries where the whole MONEY CAPITAL of the Community is small compared with the means of profitable employment;— or where it so equally diffused that there are few large holders of such capital; or where the large holders, from habit, or from hatred of trouble and risk, limit their operations exclusively to loans on first class securities. (104)

Here Fairbairn was echoing an opinion of one of his European contemporaries, Karl Marx, who described the formation of joint-stock companies as involving a "tremendous expansion in the scale of production, and enterprises which would be impossible for individual capitals." (105)

That joint merchant wealth lay behind company formation in Cape Town is illustrated by the predominance of merchants' names (and their associates) as directors and shareholders in the various local companies established in Cape Town and by the appearance of the same names at different times in more than one company. This was revealed time and time again in the course of discussion of this and previous chapters. (106)

A new factor in the Cape's capital growth during the period under consideration was the stimulatory effect of the companies themselves, arising out of the very nature of their business. Being chiefly credit and finance houses - banks, trust and insurance companies - their business was to lend out their accumulated funds on mortgage to the urban and rural (mainly white) propertied classes, situated chiefly in Cape Town, but extending also to the rural areas and including even the Eastern Province. Such institutions lent money, inter alia, to the commercial bourgeoisie, directly promoting trade, or they lent money to the farmers, promoting the growth of agriculture and indirectly stimulating trade. However, the very limited scale of operation of Cape banks and companies, when compared to the British-floated companies, has already been indicated and serves to underline the fact that economic growth and resultant capital concentration, though rapid and unprecedented in this period, was still relatively restricted.

The credit infrastructure at the Cape had not only grown by the middle decades of the century, but had become more evenly dispersed, extending into the rural areas. Country banking rapidly increased and Cape Town companies' agents proliferated in the rural areas, in both the Western and the Eastern Cape. From a single district bank in the Western Province in the year 1849, viz. Paarl's Western Province Bank, the number had increased to eight by 1860. In the Eastern Province over the same period the number of banks had multiplied from three to ten, spreading away from

Grahamstown and Port Elizabeth to include such towns such as Graaff-Reinet, Cradock and Queenstown. (107) From 1860 the establishment of branch institutions began, as for example the Board of Executors. (108) Cape Town companies had early on employed country agents. In 1845 De Protector advertised its agents in areas including Koeberg, Paarl, Stellenbosch, Swellendam, George, and stretching as far as Graaff-Reinet and Uitenhage. The South African Fire & Life Assurance Co. in the same year had agents in Malmesbury, George and elsewhere, in a similar pattern to Protector. In 1860 the Equitable Fire Assurance & Trust Co., the Mutual and the Commercial Marine & Fire Assurance Co. also advertised their agents throughout the Western and Eastern Province. (109) A few of these agents were employed by more than one company. An interesting illustration is the already-mentioned Swellendam house of Barry & Nephews, which served as agents for at least three companies. (110)

3.8.1 Wool as a source of merchant wealth

By focusing here on wool farming and its associated trade, it is hoped not to create the impression that wool was the sole agricultural commodity handled by Cape Town merchants, though it soon became the most valuable single item. In 1838 "ordinary" wine was still Cape Town's most important export, worth £98 550. Wool ranked second, well below wine at £16 555. But after 1842 the roles reversed. In 1845 wool totalled £59 688 and wine, ranking second, £50 345. In 1855 the value of wool exports stood at £125 847 and "ordinary" wine at £60 207. Blue Books in this period also list other commodities exported through Cape Town, the more valuable (i.e. totalling over £10 000) including goats, hides, horns, flour, sheep, horses, copper ore and guano. (111) That wool was seen by the commercial bourgeoisie as the most important commodity, has already been illustrated by Fairbairn's treatment of the question in the Advertiser, as well as Hamilton Ross's advice to Francis Porter. (112) A discussion of the wool trade should help to throw light on general mechanisms operating between agriculture and trade.

Cape Town merchants and traders involved themselves from early on in several facets of the wool business from early on. Examples of such activities are instructive. During 1835 the London-connected house of Dickson, Burnie & Co. advertised imported sheep for sale, as did the merchants J.B. Ebdon, Hamilton Ross and Borradailes, Thompson & Pillans in 1835 and 1836. (113) In 1844, for example, Dickson, Burnie & Co. advertised wool farms for sale and, rather from the sublime to the ridiculous, Hamilton Ross advertised on that same day the sale of wool bags. In 1845 Borradaile, Thompson & Pillans notified the public of their stock of sheep shears and wool bags and two years later A. Chiappini & Co. was advertising the sale of merino ewes at six months credit. (114)

The purchase of wool by various Cape Town general merchants, offering liberal advances often on condition that the product be consigned to their correspondents in London, has already been mentioned. Advertisements along these lines were placed by Dunell & Stanbridge, Burnie & Dickson, Venning, Busk & Co., J.B. Ebdon, Van der Byl & Co. and several others. (115) The export of wool from Cape Town was handled by general merchants. In 1838 the Price-Current reported the following cargo exported to London by the general merchants/agents, Thomson, Watson & Co.:— colonial produce consisting of "165 pipes, 115 half-pipes, 68 quarter pipes and 8 half-aums Wine, 7 boxes Dried Fruit, 11 bales Wool, 16,300 Horns, 1725 Hides, 86 cases Aloes, 51 cases Gum, 8 bags Argol, 120 bundles Sheepskins, 51 bundles Goatskins, 1 case ostrich feathers, 17 Elephant teeth and 1 case and 2 bags ivory." (116) Besides the early involvement in wool export, the notification reveals the enormous variety of local merchandise handled by such exporters. The significance of this wide spread of commodities traded and exported by Cape merchants such as Thomsons & Watson, and their consequent non-specialization, will be examined later. (117) Some big Cape Town merchants also became proprietors of farms. Thus, in 1841 both Fairbairn and one of his correspondents reported that, by means of a modern and suc-

cessful auction sale method, G.W. Prince, the ubiquitous J.R. Thomson and H. Watson, inter alia, had purchased considerable property in the Beaufort [Beaufort-West] district, in what Fairbairn described as "the most extensive sale of Land ever effected in this Colony in one day." (118)

However, of all the Western Cape merchants whose fortunes can almost be entirely attributed to wool farming, none stand out as clearly as Barry & Nephews. The Barrys' success in establishing a commercial empire in the Overberg district has already been discussed. Despite a number of vicissitudes, Joseph Barry ensconced himself in the region with the help, no doubt, of his wife's Van Reenen family and farming connections, where he became advisor and financier to many farmers, winning their confidence, handling their estates and even issuing Barry & Nephews private banknotes. The family business promoted superior merino sheep farming by offering favourable terms of trade and providing prizes for good quality wool. Joseph took shares in sheep farms. For a brief and unique period in the life of that river, he built up an entrepot on the Breede River. One of his ships, the Kadie, became the first steamship to sail up the river. The volume of wool sales handled by the Barrys was staggering. Between the years 1847 and 1850 the firm purchased more than a million pounds of wool and during the course of 1860 or 1861, in one year, they again purchased over one million pounds. (119) It was on the basis of their successful wool trade in the Overberg that the Barrys became influential agents of Cape Town companies. In 1840, for example, the Barrys were Swellendam representatives of the Equitable Fire Assurance & Trust Co. and the Mutual. By 1860 they had become Protecteur's agent in Mossel Bay; the Bredasdorp, Robertson, Montagu, Riversdale, Ladysmith and Swellendam representatives of the Equitable; and the Robertson and Swellendam agents of the Mutual. The well-known house of Mosenthal was similarly employed as agents primarily in centres, it would seem, of wool farming, just as the case with the Barrys. (120) On the basis of their agricultural trading wealth, the Barrys became local shareholders in the only two successfully

overseas-floated companies of the period - the Cape Town Railway & Dock Co. and the London & South African Bank - as well as directors of the Cape of Good Hope branch of the British Colonial Life Assurance Co. (121)

Another aspect of the relationship between Cape Town companies and the rural, wool-farming hinterland, in this case the Eastern Cape, was the profitable loan of Western Province money to Eastern Province residents on first mortgage. This was commented on in 1845 by Fairbairn and by a correspondent to the paper on the same day. From the remarks it is clear that the Eastern Province at this time offered favourable markets for surplus Western capital funds, such as those of the Mutual, several insurance companies and the Savings Bank, funds which in the Western Cape could find little unmortgaged property. Three-quarters of the Mutual's funds, Fairbairn admitted, was invested in Eastern Province first mortgages at this time. (122) Interesting is the discussion in the Advertiser around 1860, during a renewed tightness of money in Cape Town, which revealed that a rate of 6% on fixed deposits was being offered by Eastern Cape banks, whereas only 5% was offered by banks in the Western Province. (123) The higher interest rate prevailing in the Eastern Cape, it was believed, contributed to the flow of Western Cape capital to the Eastern Cape region. (124) Western Cape capital, therefore, played an important role in the Eastern Province in the period before the arrival of the Imperial banks and Cape Town merchants provided a variety of financial and other services. In view of such developments, Kirk has concluded that Western Cape merchants "became financiers and bankers to the first generation of eastern Cape sheep farmers." (125)

3.8.2 Local companies' mortgage capital

The following section attempts to explore the way in which locally accumulated company funds were lent out via mortgage transactions. (126) The records of the Cape of Good Hope Savings Bank, incorporated by special Ordinance in 1831 and the first local company to be so incorporated

(Ordinance of 8 June 1831), provide interesting data with regard to merchant credit. The bank catered for the small depositor, as the savings bank movement overseas generally did. Accordingly, it had at various times to cut down on the number and size of deposits because of the limited scale of its operation. (127) The bank's early depositors included children of the white middle class; labourers, servants and artisans, men and women, who till 1834 were largely slaves or freed slaves; tradesmen and craftsmen, many of them slaves and freed men and women before 1834, and white apprentices; as well as soldiers. (128) However, the humble sums of money accumulated in the coffers of the bank were subsequently lent out on mortgage to the propertied citizens of Cape Town, who were often merchants. The bank had early set out its preference as regards suitable mortgagees. These were listed as follows. Firstly, no loans other than those secured on fixed property were to be advanced. Secondly, mortgages were to be granted in a precise order of preference: (a) unencumbered property secured by a policy of insurance with personal securities; (b) ditto without personal securities; (c) ditto without insurance but with personal securities; and (d) second or subsequent mortgages in the above order. Thirdly, no mortgage exceeding $\frac{2}{3}$ of the value of property was to be granted. (129)

The mortgage books of the bank makes fascinating reading as merchant upon merchant is granted a loan secured on his insured store and premises in Cape Town. Between 1831 and 1835, as a sample period, James Hutton, J.C. Fleck, T. le Breton & E.J. Jerram's brewery business, William Robertson, J.T. Buck, William Billingsley, A. Chiappini, G. Twycross, Borradaile, Thompson & Pillans, F. Mabile, Maximilian Thalwitzer, Thomas Tennant, John Elore, G.W. Prince and William Henry Herron, were granted mortgages, based primarily on their insured store and premises. (130) The emerging role of insurance companies is in passing revealed here.

The source of the capital of the South African Association, another very

early Cape Town company, is instructive. (131) As the name implies, its business was mainly the handling of estates and various trust and agency activities connected with this. The Association's origins lay in the disbanding in 1833 of the Weeskamer (Orphan Chamber), which in the preceding centuries had traditionally handled intestate and other estate transactions. As one of the Association's directors stated in the first annual report, the abolition of the Weeskamer had left a feeling of alienation and loss at least in one section of the population. No doubt the reference here was to the Dutch/Afrikaans sector, particularly the rural inhabitants. (132)

The directors, as mentioned earlier, were mainly Dutch/Afrikaans and thus suitably placed to attract the custom of the local propertied classes, both in town and country. (133) It was accordingly able to collect funds which it then offered out on mortgage and it frequently advertised sums available in the local newspapers. For instance, in October 1845 it offered £4 500 on loan at interest. (134) Despite copious estate records, unfortunately, no mortgage book has as yet been located. However, already by 1859 it seems the Association's ability to offer loan capital had diminished, for in that year William Porter implied in a passing remark that the South African Fire and Life Assurance Co. and the Association were unable to be of substantial assistance in providing much needed credit. (135) That local banks and finance houses by 1860, had proved generally inadequate as a source of credit is confirmed in the following section.

3.9 Credit and lack of local capital

It would be logical to presume that banks at the Cape became an important source of local credit, though no records of these early banks survive. But, if local merchant and banking capital dependent on agriculture and trade, was a source of merchant credit, it was clearly insufficient by 1860. (136) In 1862 the London Standard remarked: "The local banks though

enjoying large connections cannot afford a due proportion of the required facilities... the trade of the Colonies in South Africa and its steady increase warrants the Directors [of the Standard Bank] in assuming that their project will receive a fair amount of support..." (137)

A related issue, concerning the dangers of too great and too lengthy credit, in the form of bills of exchange and promissory notes, was presented early on in the Advertiser, as a problem endemic to the Cape. (138) Dubow declares that "No single factor accounting for the the 1860s depression was touted around more by the Graaff-Reinet Herald, than the 'evils of long credit'." (139) An editorial in the Advertiser in late 1860 confirmed the evils of indiscriminate credit, during a period which, since April 1859, had been characterized in fact by a tightness of money. (140) It stated: "There are nevertheless, one or two evils attending our commercial system here which may seriously affect our progress if they be not checked. One of these is the length of credit given in point of time; and another is the indiscriminate extent of the credit. The experience of all large trading communities has shown that the shorter the terms of credit the more prosperous the business... Long credits tend to overtrading... Country customers, in a colony like this where intercommunication is so slow and goods take so long to reach their destination, naturally need longer accomodation... The extent of credit - the amount - is a still more serious evil." For this evil, the editor went on to blame a certain group of speculative semi-merchants/semi-traders, resident in provincial towns. (141)

That such opinions were often a reflection of specific cases of unsound, speculative credit, rather than a concern with a generally prevailing credit excess, was confirmed by the same editor. He echoed the clamour for a solution to the tightness of money being experienced in Cape Town during 1859/1860, at the very same time as he was lamenting indiscriminate credit. "But the question really at issue is this - is there a sufficient

supply of money to accomodate men engaged in legitimate trade?... For an answer to the question we have propounded we may safely appeal to the mercantile community at large, and we know their almost unanimous answer would be that the Cape Town Banks cannot, at this moment afford nearly the extent of accommodation required by their customers, and their customers, from the legitimacy of their transactions and soundness of their credit, have a right to expect." (142)

With Cape Town banks faced by a shortage of loan funds, unwilling to borrow by offering a higher than 6% interest on fixed deposits, like the Eastern Province banks, and unprepared to issue fresh shares to raise capital, the Advertiser's editor looked hopefully to the impending arrival of the new imperial bank. "A bank, too, thus connected with the mother country will have greater facilities for keeping up an adequate supply of specie than a merely local one." The sentiment was echoed by the Commercial Exchange. (143) This welcome given the new banking accommodation in Cape Town as late as 1862 (144), contrasts with the claimed surfeit of capital in the wake of the arrival of the Imperial banks, as a reason for the recession culminating in the mid-1860s. This, however, may be due to the fact that the surfeit was a later development experienced in the cycle of commercial crisis. (145)

While an in-depth examination of the 1860s recession is beyond the scope of this study, it is important to assess the role of credit which features largely in any discussion of commercial crisis and which proved a structural requisite of the wool trade, particularly, as well as a general basis for the colony's trade. (146) Neither the frequent extension of credit of a mostly short-term technical nature within the commercial system, nor the speculative advance of credit, both described above, can be equated with an oversupply of capital. Increased credit is not necessarily a reflection of an actual increase of productive capital. Yet, the two seem to have been conflated by Dubow in his explanation for the reces-

sion in the Graaff-Reinet district in the early 1860s. In so doing the key issue, the basic problem of the Cape's undercapitalized economy, has been sacrificed for the sake of applying the theory of unequal development and the ascribed reactionary role of merchant capital. Dubow has stated of merchant capital: " But its failure to stimulate sufficient production by radically transforming the forces and relations of production, resulted in a surfeit of capital, in the form of a plethora of (sometimes undercapitalized) banks, merchants and middlemen." (147) The excess of capital according to this analysis led to overcompetition, overextension of credit in order to attract custom, and the acceptance of poor wool by the Graaff-Reinet merchants. (148) A plethora of undercapitalized merchants, middlemen and banks should not be confused with an excess of real, productive capital. And it is above all to an undercapitalization, a lack of productive capital, that the discussion of company growth up to this point has led. More important than blaming one class or sector for the recession is coming to grips with the basic underdevelopment of the Cape economy during the 19th century, its lack of capital, its inability to enter the world market and its own restricted local markets.

The low level of exporting and lack of capital discussed by Barnard in relation to the early Australian wool economy during the 20s, 30s and 40s, is instructive in an understanding of conditions prevailing at the Cape:

During the twenties and thirties its [wool marketing] organization in the [Australian] colonies had been, by later standards at least, a haphazard, disordered affair. Most growers sold their wool to general colonial traders who shipped it to business acquaintances in England for sale on their own account. This method of disposal was clearly enough defined. Yet the insignificance of the colonial contribution to total raw wool supplies, available in England and the consequently small interest taken in it by English wool dealers and consumers, and the extent to which it depended on a colonial mercantile community which was small, inexperienced and cramped by lack of facilities, [author's emphasis] together meant that the disposal itself was insufficient and undependable. (149)

The backward nature of the situation described for Australia during the 1820s and 1830s finds a resonance at the Cape way beyond those decades, in a way that Dubow himself has described for the 1860s. (150)

The continuing features of inexperienced, non-specialized exporting and marketing at the Cape, where general merchants continued to handle the sale of wool, and the lack of overseas capital directed towards improving agriculture, are thrown into relief by comparison with the improvements that took place in Australia during the second part of the 19th century. Barnard's study of the Australian wool industry examines the issue of overseas capital and the growth of the Australian wool industry. He divides 19th century developments into three phases. Phase One during the 20s and 30s, already indicated, saw consignment to England by both growers and general importers in what Barnard terms a rather "haphazard" arrangement. Whereas the number of these merchants had grown impressively and the beginnings of specialization can be traced to the 1840s, wool exporters remained unspecialized, general importers/exporters. Phase Two, from the 1850s to 1900, saw the growth of specialization. Specialist wool houses from diverse origins were established. (151) "There were firstly those which developed, either entirely or as specialized departments, from general colonial importing concerns. Others were formed in the colonies specifically to engage in some aspect of the wool trade and to them consigning was the main, or one of the main, activities. Finally, some companies, incorporated in Great Britain, combined wool exporting from the colonies with large-scale investment of British capital in the pastoral industry as financiers." (152) Companies, such as the London & Australian Agency Corporation, were formed in the period to provide channels for investment in Australia of capital raised in England. By the end of the 1860s local banks too entered as large-scale specialist wool consignment agents and financiers. (153) Phase Three, beyond the limits of this discussion, was marked by the shifting of the locus of wool auctions from London to Australia. (154)

The striking characteristic of the Cape's economy when compared to the Australian during the period, outlined above, is (a) the lack of merchant

specialization at the Cape (b) the absence till 1861 and the continued insignificance thereafter, at the Cape, of British capital in forms encountered in Australia, viz. mortgage and loan companies established with British capital to finance colonial agriculture in the longer term. Thus, exporters at the Cape remained general merchants and the main source of British capital for Cape agriculture continued to be the Imperial banks, rather than agricultural companies. (155)

While the crisis at the Cape in the 1860s was prompted by a number of conjunctural factors, such as drought, the collapse of wool prices, etc., the structural fact of the economy remained its poor development. Based on a developing agriculture, orientated mainly towards the export of raw wool, with no manufacture, limited mining, lacking supplies of both locally-generated capital and imported capital, the prospects for a well-balanced economic development were not great. This problem was begun to be addressed only during the next century, decades after the mining booms of the later 19th century.

Despite economic and company growth remaining relatively small-scale in the period discussed, capitalist ideology and a legislative framework for future economic developments were developed and set in operation. The emergence of a more politically demanding local bourgeoisie, both agricultural and commercial, and the consequent crystallization of a movement for representative government, outlined in the the following chapter, can ultimately only be understood against the background of economic growth sketched so far.

NOTES

1. SACA, 30 Mar. 1839.
2. Ibid., 17 Feb. 1841.
3. Ibid., 1 Jan. 1842; 4 Jan. 1843.
4. Ibid., 11 Feb. 1843.
5. Arndt, Banking and Currency Development, 239.
6. SACA, 3 Jan. 1844; 1 Jan. 1845; 15 Feb. 1845.
7. Ibid., 3 Jan. 1846.
8. Ibid., 23 Dec. 1846; 13 Mar. 1847.

9. Ibid., 20 Apr. 1854, 30 May 1854, 27 Dec. 1855.
10. For further comments on this, see below, 113-116.
11. SACA, 21 Mar. 1846.
12. Christopher, Southern Africa, 80, fig.23.
13. The discrepancy between production and exports was caused inter alia by the export of wool from outside the colony. Christopher, Southern Africa, 59, table 3, 80. In fact wool first overtook wine in 1842 - CCGHBB, 1842; see also below, 116.
14. A.S. Mabin, "The making of colonial capitalism: intensification and expansion in the economic geography of the Cape Colony, South Africa 1854-1899" (PhD, Simon Fraser University, 1984), 77-79, 100, 105-106; S. Dubow, Land, Labour and Merchant Capital in the Pre-Industrial Rural Economy of the Cape: the Experience of the Graaff-Reinet District (1852-72), Communications, no. 6, 1982, 20-30, Centre for African Studies, University of Cape Town. See also Schumann, Structural Changes and Business Cycles, 79-81, who makes no reference to an economic crisis until after 1862.
15. See below, 113-114.
16. Mabin, "The making of colonial capitalism", 72.
17. Ibid., 98-100.
18. A. Purkis, "Politics, capital and labour of railway building in the Cape Colony 1870-1885" (DPhil, Oxford University, 1978), 10-11.
19. SACA, 3 Feb. 1849.
20. Ibid.
21. See Almanac, 1850, for instance, where the Mutual informed the public of their accumulated fund amounting to £25 284-2-10.
22. SACA, 27 Dec. 1855, where Fairbairn quotes as his source the Almanac of 1856; see also Smalberger, Aspects of the history of copper mining, 47.
23. CCGHBB, 1860, which by definition does not include the two Natal banks. For the Natal banks, Natal Bank and the Natal Commercial & Agricultural Bank, see SACA, 21 Nov. 1860 share list and Arndt, Banking and Currency Development, 296-299. Neither does the CCGHBB include the British Kaffrarian Bank established 1857/8 - see SACA 22 Dec. 1860 and Arndt, Banking and Currency Development, 242. Note circulation of the various banks is included in the CCGHBB, 1860.
24. For full discussion of reasons for the cut-off point of 1859, see above, 8-9.
25. Cape of Good Hope Acts, 1861; see below, 165-166; CCGHBB, 1861.
26. J.H. Clapham, An Economic History of Modern Britain: Free Trade and Steel 1850-1886 (Cambridge 1932), 357-358. After 1862 the data encompasses some of the banks as well.
27. Ibid., 340.
28. Post Office London Directory, 1844, 1869.
29. For instance, SACA, 20 Jan. 1841, talk of a land and emigration company which came to nought.
30. Ibid., 8 Sept. 1838, Table Bay Dock Company which did not get off the ground.
31. Ibid., 16 Mar. 1836, prospectus.
32. Ibid., 8, 11, 15 June and 27 Aug. 1836; see above, 38; Arndt, Banking and Currency Development, 222-236.
33. SACA, 18 June 1836; Post Office London Directory, 1844; for a reference to the Simpsons, etc., see above, 66.
34. SACA, 10 Dec. 1845; 24 Jan. 1846.
35. Post Office London Directory, 1844; SACA, 16 Mar. 1836; 27 Dec. 1853; Arndt, Banking and Currency Development, 224.
36. SACA, 10 Dec. 1845; 16 and 20 June 1860.
37. Ibid., 21 May 1836.
38. Ibid., 15 June 1836; 19 Mar. 1845.
39. Ibid., 10 Aug. 1836. The draft deed of the company appeared on 27 July 1836.
40. Ibid., 26 Oct. 1836.
41. Ibid., 11 Oct. 1837.

42. Ibid., 29 Sept. 1838.
43. Ibid., 9 May 1838 annual report and editorial. The Hope came to grief very soon after its arrival and was wrecked near Cape St. Francis in 1840. It was replaced by the Phoenix in 1842 - see SACA, 21 Dec. 1842 and M. Murray, Ships and South Africa (Oxford 1933), 11-12.
44. Almanac, 1840; Post Office London Directory, 1844.
45. Arndt, Banking and Currency Development, 235-236; George, "John Bardwell Ebdon", 69; see above, 38.
46. Warren, "Merchants, municipal commissioners...", 55.
47. SACA, 18 May 1836 - Legislative Council proceedings. The Bill was passed successfully in the colony but was not ratified in Britain, with the result that the bank was established and continued to operate under a deed of agreement, on which example many future private banks were based - Arndt, Banking and Currency Development, 236.
48. SACA, 9 May 1838.
49. CGHGG, 6 July 1838.
50. See Fairbairn's already quoted remarks from SACA, 28 Sept. 1831, above, 70.
51. SAL, Manuscripts collection, MSB 224, "William Harrison. Minutes of a voyage to the Cape of Good Hope and a journey into the interior of South Africa 1830-1831". Harrison was connected to the Cape Town house of Borradaile, Thompson & Pillans via their correspondent/family house of Borradaile and Ravenhill in Manchester.
52. See below, 103, 105, for such occurrences in regard to Thomson, Watson & Co.
53. Jones, International Business in the Nineteenth Century, 2.
54. Ibid., 28.
55. Post Office London Directory, 1844; Almanac, 1838; see above, 66-67, slave compensation agents.
56. Almanac, 1845.
57. Almanac, 1860.
58. Post Office London Directory, 1844 - Levicks Brothers; SACA, 11 Mar. 1835 for Heideman connection.
59. Smalberger, Aspects of the history of copper mining, 16, 269-270; Van Zyl, Kaapse Wyn en Brandewyn, 127.
60. SACA, 14 Nov. 1857.
61. Ibid., 16 and 20 June 1860.
62. See above, 67.
63. The Australian experience has been recounted by A. Barnard, The Australian Wool Market 1840-1900 (Melbourne 1958), 92-93. He says that even after local Australian insurance companies had grown sufficiently to offer their services to English wool consignees, the latter preferred to deal with English companies with whom they could settle claims immediately and because of higher colonial premiums.
64. Almanac, 1840.
65. Almanac, 1859; Warren, "Merchants, municipal commissioners...", 54; L. Meltzer, "The Angel in Loop Street: a 19th century pharmacy in Cape Town", Bulletin of the South African Cultural History Museum, vol. 9, 1988, 22; Warren, "Merchants, municipal commissioners...", 54.
66. Warren, "Merchants, municipal commissioners...", 55-56.
67. Ibid., 56-57.
68. CA, Notarial Protocols, NCD 39/20, no. 3084. Notary J.S. Merrington, 1 July 1829.
69. CA, Notarial Protocols, NCD 39/21, no. 3126. Notary J.S. Merrington, 3 Feb. 1830.
70. Dictionary of South African Biography, vol. III (Cape Town 1977), 833-834 for T. Watson; Ibid., vol. IV (Durban 1981), 652-653, for J.R. Thomson.
71. V.I. Lenin, "Imperialism, the highest stage of capitalism", Collected Works, vol. 22, December 1915-July 1916, (London 1964), 200-202; see also P.J. Cain and A.G. Hopkins, "The political economy of British expansion overseas, 1750-1914", The Economic History Review, 2nd series, vol. XXXIII, no. 4, Nov. 1980, 485-489.

72. Mabin, "The making of colonial capitalism", 34-35, table 2.4.
73. Ibid., 38-39, 34, table 2.4.
74. Ibid., 39-40.
75. SACA, 28 July 1853.
76. SACA, 20 Oct. 1860 - editorial/"Monthly Summary"; see below, 169-170.
77. Mabin, "The making of colonial capitalism", 35-36.
78. Almanac, 1844.
79. SAL, Manuscripts collection, MSB 391, "Francis Porter (1819-1886), Cape Town merchant, Diaries and Notebooks", letter B9, 29 Oct. 1844.
80. SACA, 18 Nov. 1854.
81. Ibid., 6 Nov. 1839.
82. Ibid., 9 Nov. 1839.
83. SAL, Manuscripts collection, MSB 391, letter B9, 29 Oct. 1844.
84. SACA, 13 Nov. 1839.
85. SACA, 18 Feb., 22 Feb., 21 Mar. 1860.
86. Ibid., 31 Dec. 1859, farewell editorial.
87. Ibid., 16 June 1860.
88. Ibid., 30 June 1860.
89. See below, 167-170.
90. SACA, 27 Dec. 1853, 14 Nov. 1857.
91. See below, 199-200.
92. Kirk, "Self-government and self-defence", 104.
93. SAL, Manuscripts collection, MSB 391, letter B1, 13 Oct. 1841.
94. SACA, 17 Nov. 1860.
95. Purkis, "Politics, capital and labour of railway building", 14-17; Dubow, Land, Labour and Merchant Capital, 23.
96. Barnard, The Australian Wool Market, 96.
97. SACA, 28 June and 22 Oct. 1845.
98. Post Office London Directory, 1844; Blancheton, Exposition Universelle; Syfrets Records, Cape Town, Estate Records, no. 41c, "Boedel J.J. van den Berg", Printed report of an English court case, first division, 6 Jan. 1847, for a dispute between John Elmslie, merchant in Aberdeen and the South African Association for the Administration and Settlement of Estates, in which mention is made of David Charles Guthrie and George Clerk Cheape of London, merchants and attorneys to the Association.
99. SAL, Manuscripts collection, MSB 391, letter B55, copy of part of a letter, 19 Jan. 1847.
100. Ibid., letter B3, 9 Mar. 1844.
101. Smalberger, Aspects of the History of Copper Mining, 127, table A, which shows that 1858 saw the greatest copper exports in the period under discussion, totalling £127 182; CCGHBB, 1860, in which manufacturing establishments in Cape Town are listed as followed: - 5 soap and candle manufactories, 3 hat manufactories, 2 water mills, 7 steam flour mills, 3 tanneries, 5 breweries, 2 steam snuff mills, 1 horse snuff mill, 3 hand snuff mills, 2 whale fishery establishments, 15 brick-fields, 2 lime kilns, 3 soda water machines, 1 windmill, 5 iron and brass foundaries, 1 gas manufactory, 1 tobacco cutting machine, 9 fish curing establishments for export and 2 steam printing presses.
102. Mabin, "The making of colonial capitalism", 75-77, appears to have confused imports with exports; CCGHBB, 1838, 1840, 1845, 1850, 1854-1856 - unfortunately after 1856 exports and imports are not listed under the separate ports and so the Almanac of 1861 was consulted, as well as CA, Chamber of Commerce, "Minutes 1861 -", CC3/1/1/1/1.
103. CCGHBB, 1838, 1840, 1845, 1850, 1854-1856. Christopher, Southern Africa, 59, table 2, indicates general agricultural expansion in the colony during the period. Besides wool, the number of cattle grew from 312 000 in 1830 to 525 000 in 1849, falling relatively to 451 000 in 1855. The area cropped in 1839 totalled 164 000 acres, increasing in 1849 to 198 000 acres, remaining in 1855 at 198 000 acres.
104. SACA, 15 June 1836.
105. K. Marx, Capital: A Critique of Political Economy, (Middlesex 1981), vol. 3, 567.

106. See above, 79-80, 99-104.
107. SACA, 3 Feb. 1849; CCGHBB, 1860.
108. SACA, 20 Nov. 1861.
109. Almanac, 1845 and 1860.
110. See above, 27 and below, 118-119.
111. CCGHBB, 1838, 1842, 1845, 1855.
112. See above, 90, 113.
113. SACA, 21 Jan. 1835; 21 Feb. 1835; 27 Feb. 1836 and 13 April 1836.
114. Ibid., 18 Sept. 1844; 18 Oct. 1845 and 20 Oct. 1847.
115. Ibid., 1844-1845.
116. Cape of Good Hope Price-Current, 12 Oct. 1838, no.6.
117. See below, 124-126.
118. SACA, 13 Jan. 1841.
119. Ibid., 1 Mar. 1843 for editorial praise of the Barrys.
120. Almanac, 1848 and 1860; D. Fleischer and A. Caccia, Merchant Pioneers: The House of Mosenthal (Johannesburg 1983); T. Kirk, "The Cape economy and the expropriation of the Kat River Settlement, 1846-53", in S. Marks and A. Atmore (eds), Economy and Society in Pre-Industrial South Africa (London 1980), 230-231.
121. See above, 103; Almanac, 1859 advert for Colonial Life Assurance Co.
122. SACA, 26 July 1845.
123. Ibid., 8 Sept. 1860; J.C. Silberbauer, A Few Remarks and Suggestions on the State of the Cape Town Money Market and the Threatened Danger to the Shareholders of the 5 Cape Town Banks (Cape Town 1860), 6.
124. Silberbauer, A Few Remarks, 7.
125. Kirk, "The Cape Economy", 230-231.
126. Many weeks were spent trying to bring order into the archives at Syfrets only to find later they had all been moved again. The effort expended in this regard is therefore unfortunately unreflected in this work see above, 12.
127. SACA, 3 Feb. 1838.
128. Cape of Good Hope Savings Bank, Cape Town, "Description Book no. 1 From no. 1-893".
129. Cape of Good Hope Savings Bank, "Minute Book no. 1, entry 19 July 1831.
130. Cape of Good Hope Savings Bank, "Mortgage Book no. 1"; Almanac, 1833.
131. The First Trust Company in the World: the South African Association for the Administration and Settlement of Estates [Cape Town 1984].
132. Syfrets, Cape Town, Records of the South African Association for the Administration and Settlement of Estates, "1ste algemeen verslag...sedert begin tot April 1837".
133. See above, 77.
134. SACA, 11 Oct. 1845.
135. Ibid., 18 May 1859.
136. Ibid., 25 Aug. 1860, letter from J.C. Silberbauer ("The new and the old Cape banks"), who reported that the value of bills discounted by four of the five Cape Town banks in 1859 =£748 000. This excluded the Cape Commercial Bank, the first or biggest bank at that time.
137. G.T. Amphlett, History of the Standard Bank Ltd. 1862-1913 (Glasgow 1914), 5.
138. SACA, 1 Mar. 1826; 13 Dec. 1834; 27 Dec. 1834.
139. Dubow, Land, Labour and Merchant Capital, 26.
140. SACA, 30 Apr. and 7 May 1859 onwards.
141. Ibid., 17 Nov. 1860.
142. Ibid., 8 Sept. 1860.
143. Ibid.; CA, Chamber of Commerce, "Minutes 1861- ", Annual Report, 13 March 1860, CC3/1/1/1/1.
144. Amphlett, History of the Standard Bank, 7-8.
145. The reasons advanced for the recession are often eclectically chosen from standard works - see Mabin, "The making of colonial capitalism", 78-79, 100, 105-106; Dubow, Land, Labour and Merchant Capital, 18-20, 22-24.
146. See above, 110-112.

147. Dubow, Land, Labour and Merchant Capital, 22.
148. Ibid., 22-29.
149. Barnard, The Australian Wool Market, 48.
150. Dubow, Land, Labour and Merchant Capital, 12-30.
151. Barnard, The Australian Wool Market, 49-60.
152. Ibid., 60-61.
153. Ibid., 62-63; Denoon, Settler Capitalism, 152.
154. Ibid., 47, 67-69.
155. Mabin, "The making of colonial capitalism", 37-38; Purkis, "Politics, capital and labour of railway building", 21-23.

CHAPTER FOUR

COMMERCE, POLITICAL POWER AND THE ROLE OF JOHN FAIRBAIRN 1840-1859

4.1 Introduction

Representative government, introduced in 1854, was a crucial date in the growth of local white rule at the Cape. For the first time various groups scattered throughout the colony, were brought together into a central arena of parliamentary debate. At this point the commercial bourgeoisie, as an already leading sector of the local bourgeoisie, could be expected to increase its influence and exert power in ways unavailable up till then. In the light of these events, it remains to examine the extent of the political role of John Fairbairn in shaping the growth of Cape Town's commercial bourgeoisie.

4.2 Fairbairn as unifier of the colonial bourgeoisie

Fairbairn's role as reconciler of the English and Dutch/Afrikaans groups was evident from the start of the Advertiser. His aspirations for united (white) rule during the period of slave emancipation were sketched in Chapter Two. Kilpin, historian of the old Cape parliament, has described Fairbairn's role in this regard "as the awakening of a national consciousness". "To a faint heart, the prospect of drawing the white races together with a view to hastening the introduction of a representative government would now have seemed hopelessly dark, but by refusing to acknowledge defeat, and by striving to further interests which were common to all, he managed to secure a certain amount of unanimity. Patiently feeling his way...he carefully conducted his great experiment in national evolution." [author's emphasis] (1)

It was an orientation constantly discernible in the Advertiser, becoming increasingly evident in the years preceding the new parliament. Thus in 1824, before Fairbairn's sole editorial responsibility, the Advertiser had made the appeal "Whatever we are, whether born in the Northern or the Southern hemisphere, in England, or in Africa, if we have made Africa our

home, and feel a common interest in the prosperity of the Colony, we are all Africans." (2) In presenting his customary compliments of the season at the beginning of 1841, Fairbairn spoke approvingly of what he considered signs of this growing unity:

Reconciliation among all classes of the inhabitants to each other, and of each class to its particular sphere and duties, has silently removed almost the very appearance of disunion; and even class complaints, which often remain long after their causes have ceased to exist, are now seldom uttered and never listened to. The Master and the Servant, the Merchant and the Agriculturalist, the Government and the Governed, have become more lenient in their mutual judgements of each other's merits, more disposed to bear and forebear, to overlook or make allowance for human infirmity, and to co-operate sincerely in promoting the general welfare. (3)

In an editorial of 1848, having asserted with utmost honesty that the people of European descent, as opposed to the Africans, were "in the widest sense, the ruling class", and that under a representative government, it was perfectly clear that both the electors and the elected would be of their body", Fairbairn contrasted this difference with the affinities between the English and the Dutch.

It is certain that the Dutch are considerably the most numerous. By far the greatest part of the land and fixed property are in their hands, together with the greater part of the moveable property on the land. Of the Commerce and active Capital the greater part is in the hands of the English. But there is no difference between these two classes, in rank, place, or consideration in society. They are all engaged in the same pursuits, and meet each other everywhere on a footing of perfect equality. They do not stand apart, like the European and African, in the characters of rich and poor, capitalists and laborers, employers and employed. Their interests are identical, and cannot be separated, or opposed to each other, without equal injury to both. By local intermixture, by intermarriages, and by connexions in business, these two classes have, to a great extent, lost their original distinctions, and the educated, well-informed and well-disposed sink them entirely, without an effort, in the ordinary affairs of life. (4)

In the midst of the constitutional struggle and the growing practical unity of action by the colonists that form the subject of this chapter, Fairbairn again drew attention to the complementary nature of the two sections of the white ruling class. He pointed to the unity in contrast of the Dutch, who like "their Belgic sires of old" are not easily moved, "they seem to move slowly, but they never recede" and "their British brethren who infuse enterprise and audacity into strength, and hold nothing impossible that does not imply a contradiction in its terms." (5)

It was the role of reconciler that prepared Fairbairn for the leading position he was to occupy during the prolonged struggle for representative government. While his preaching of reconciliation was conducted mainly on the level of English and Dutch unity, objectively, what this amounted to was advocacy of middle class white unity, as the most important prerequisite for further colonial ('national') progress.

4.3 Fairbairn's leading role in the 'popular' fight for self-government

In the period preceding 1854 a small number of representatives of a section of the commercial bourgeoisie, the merchant elite, as well as leading landowners, had been present in the Legislative Council established in 1834. But these were nominated men and at any one time there were, at the most, six unofficial members, the rest of the Legislative Council and the entire Executive Council all being government officials. (6) Though an improvement on the 1825 Government Advisory Council, the new Legislative Council was almost instantly viewed by Fairbairn as inadequate and, largely, the prerogative of an elite. (7)

The struggle by the colony's middle class to win representative government has been documented by several authors. (8) Fairbairn's biographer, Botha, has traced this history through his subject's singularly important role in the eventual granting of a representative colonial legislature. The combined efforts of Pringle, Fairbairn and Greig in the struggle to establish a free press were, in fact, an important stimulus in prompting the arrival and course of the Commission of Inquiry in 1823 and in the consequent establishment of a Council of Advice. Fairbairn, himself, continued to regard the freedom of the press as the most powerful weapon in the fight against colonial government "despotism". It was, however, in 1826 and the period succeeding that his clarion call for self-government became an almost constant feature of his editorials. A colonial legislature was thereafter presented in the Advertiser as a cure-all for most problems, whether

economic, social or political. (9) Requests for self-rule by the colonists, in the form of petitions and meetings, also began in earnest after 1826. Key events in the unfolding of this struggle included the Commission of Inquiry sent out from Britain (1823); the battle for the freedom of the press; the abolition of the Burgher Senate (1828); the Charter of Justice with its provision of trial by Jury and a Supreme Court (1828); events leading to the emancipation of the slaves (1834); establishment of a municipality in Cape Town (1840); and, finally, the crisis over the Anti-Convict Agitation (1848-1849). (10)

In 1841 Fairbairn himself accorded the achievement of trial by jury in 1828 and a municipality for Cape Town in 1840, as particularly significant victories in the process of struggle for self-government. The discipline and organizational experience gained, he believed, would be invaluable once popular government was granted. (11) These remarks were certainly prophetic, for the municipality became the core body and leading institutional force in the fight by the colony's middle class for representative government. (12) Indeed, after 1848 Fairbairn merged his own struggles with the strivings of this group and, in fact, became one of its leading spokesmen. The municipality, composed of local businessmen, urban landlords and professional strata of the middle class, with certain social and political connections with agriculture (13), was symbol of Cape Town's politically ambitious middle class. The period after 1848 was thus marked by an alliance between Fairbairn, who had fought for political self-expression for the colonial bourgeoisie almost from the day of his arrival, and ambitious representatives of the colonial bourgeoisie.

Representative government developed into the most important issue, if not the exclusive one, after the Anti-Convict Agitation of 1848-1849 drew to a close. These latter events centred on opposition to the British government's shipping in of ticket-of-leave convicts to the Cape. (14) The agitation and boycott measures surrounding the arrival of the prison ship,

Neptune, set the scenario for the first full-scale battle for political representation by the colonists.

While members of the Cape Town municipality threw their energies into assisting the Anti-Convict Association, the body formed in Cape Town to fight the issue, commerce represented a leading organizational force in the campaign. (15) The latter's key role was an indication of that sector's influence in the municipality and, generally, within the increasingly commercial setting of Cape Town. Actions initiated by the commercial group took the form of closing of firms on particular days, as well as a determined prosecution of boycott policies. Thus, in the Advertiser of June 1849, many of the most important local companies advertised their intention not to conduct business with people taking convicts into their employ. Included here were the Cape of Good Hope Trust & Assurance Co., Mutual, South African Fire & Life Assurance Co., Equitable Assurance & Trust Co., Protecteur, Cape of Good Hope Savings Bank, Cape of Good Hope Bank, South African Bank, Colonial Bank, Union Bank and the South African Association. (16) The pledge not to take into service or do business with those who employed convicts was placed in the Commercial Exchange, the Town House, banks, insurance offices and other places of business. Companies and firms notified the public of their intention to shut on 4 July 1849, the day of the very large public meeting attended by over 7 000 people and held in front of the Commercial Exchange. (17) As the leading organizational figure within the Anti-Convict Association, Fairbairn used the pages of his newspaper as a fighting tool to advance the cause of the Association. (18)

Support for the efforts of the Anti-Convict Association poured in from areas throughout the colony including, significantly, the rural districts. The trend of events was reflected in editorials of the Zuid-Afrikaan, the traditional champion of the Dutch/Afrikaans middle class with a strong orientation to (rural) landed interests in the Western Cape. (19) It

reported in August 1849: "The laudable example set by the capital has been speedily followed up, and ere long there will be no town or village in the colony, which, besides expressing strong abhorrence of the convict scheme, will not also establish its Association for the better enforcement of the Pledge, and for the purpose of securely and effectually averting the threatened calamity." (20)

The strength of (white) opposition in Cape Town, supported by local municipal bodies throughout the colony, finally resulted in the turning away of the convict ship, after a protracted and bitter struggle. (21) If the Anti-Convict agitation was not actively used by leading middle class representatives, such as the municipality and its champion, John Fairbairn, as an issue to exploit the campaign for self-government (22), its successful outcome certainly heightened expectations of local parliamentary rule. Coupled with the fact of not only inadequate, but increasingly unpopular political representation (23), the period that followed was marked by fundamental discontent amongst the colonists. Dissatisfaction was directed firmly against colonial government "despotism" and ended only with the grant of representative government. Thus, early in 1850 Fairbairn announced:

Yesterday the Anti-Convict Association resolved to wind up its affairs, its job done... The inhabitants of Cape Town now return to their normal course of thought and action. But do they feel as if they were the same men? Has nothing been gained beyond the removal of the Neptune and the revocation of the Order in Council? These are but the visible signs of a spiritual revolution, which enables them without anger or fear, with loyalty and self-respect, calmly to take their place as equals amongst, and as fellow heirs of Freedom with the proudest, most enlightened, and the most powerful people on earth. So far from injuring their Sovereign, they have added a jewel to her crown... Having learnt the character of her South African people, Her Majesty will now, it is expected, proceed to bestow upon them those institutions which are the life and strength of the mother country... Her Majesty will, therefore, be advised with as little delay as possible, to institute a Representative form of Government in this Colony... The people have demonstrated their ripeness and readiness to discharge all the duties of that generous system of Liberty. They have done more. They have shown that nothing less will content them, and that against their opinions it is no longer possible to govern them at all. (24)

Fairbairn's overconfidence in an imminent constitutional solution was

reflected in the Advertiser some days later when he stated: "If not decided already, the Imperial Parliament will most probably in the course of the present month, return a satisfactory answer to the question. The people of the Cape must govern the Cape in all departments that are strictly colonial. Competent or incompetent they must now enter on the serious duty of managing their own affairs - the incompetency and inconsistency of the distant and ever-changing dynasties of Downing-street, being placed out of the line of argument." (25)

An immediate result of Fairbairn's leadership of the campaign was his growing popularity in the rural areas. This emerged in the columns of the Zuid-Afrikaan around the time of the successful conclusion to the struggle. Districts which in the early 1830s had been his most implacable enemy when legislation aimed at amelioration of slave conditions was introduced, now evinced warm support for him. In 1832 when an Order-in-Council assigning slave protectors further powers arrived at the Cape, Fairbairn had been so disgusted by the illiberal reaction of local farmers (what he termed the "Despotism of 50 Koeberg Boers"), that he for a time withdrew support for the campaign for a representative legislature, an issue he had in fact from early on committed himself to. (26) He feared for the interests of both the English and the 'coloureds'. (27) Yet 18 years later, in February 1850, his former implacable enemies, now in the guise of the Malmesbury Anti-Convict Association, were able to address him thus: "Language fails us adequately to expresss our feelings. Suffice it that your valuable services will never be forgotten by us. Be it enough that the name of John Fairbairn is engrafted in the heart of the simple inhabitant of Zwartland. Enough! that should our native land and ourselves be threatened with degradation (which may God forbid), we will look upon you as our faithful Champion with whom we will dare to enter into the contest." (28)

Fairbairn in turn expressed his gratitude to Malmesbury residents in words

that confirm the growing friendly relationship between former enemies. He replied in a letter likewise published in the Zuid-Afrikaan:

With unfeigned humility I beg to return my sincere thanks for the kind words in which as Chairman of the Anti-Convict Association you are pleased to express your approbation of my conduct, in the recent struggle for the moral, religious and political rights of the people of the Cape of Good Hope, now so happily concluded... Be pleased to accept my most cordial congratulations not only on the victory but on the noble spirit evinced by the people of Malmesbury, to whom along with their generous countrymen in every district, under Divine Providence that victory is most justly to be ascribed. (29)

It was at this time too that the residents of Prince Albert acknowledged their gratitude to Fairbairn by naming one of the town's streets after him. (30)

The period in the wake of the successful conclusion of the Anti-Convict campaign gave political expression to the growing 'popular' movement. In May 1850, faced with increasing colonial dissatisfaction over the Legislative Council, the Governor agreed to take 'popular' opinion into account in filling the vacant, non-official seats of the Legislative Council. Unofficial elections were permitted, under the auspices of the municipalities and road boards throughout the colony, and nominations forwarded to the Governor. The Cape Town municipality, which appears to have enjoyed considerable support in the rural municipalities, thereupon set out to win support for their choice of candidates. The success of their campaign was reflected in their choice of men being placed at the head of the list of nominations. These were John Fairbairn, F.W. Reitz, C.J. Brand, Andries Stockenström and J.H. Wicht. Arising from the nature of their election, despite municipal manoeuvring, the group thus elected came to be known as the Popular members or the Popular Party. However, in selecting from amongst the five top vote scorers, the Executive Council chose to replace the popular nomination of Wicht by their own choice of Robert Godlonton, Grahamstown newspaper editor. (31)

The participation of the Popular members in the Legislative Council was shortlived. Two weeks after joining, on 20 September 1850, the new members

resigned over the issue of matters to be debated by the Council. They had insisted that debates be restricted to the vital discussion of the impending constitution, along the lines of a constituent assembly; other matters could await the future elected government. However, their position in the Council had been untenable from the start as the two nominated unofficial Eastern Province members, Cock and Godlonton, sided consistently with the officials, resulting in an almost constant division of 7:4 in favour of the government. (32) In view of such tensions, the Popular Party's resignation was inevitable.

Support for the actions of the Popular Party by ratepayers and property owners flowed in from all parts of the country. The Zuid-Afrikaan reported: "It is not without some satisfaction that we perceive the promptitude with which some of the country townships have already followed the example which has been set them by the Municipal body of this Metropolis, in recording their cordial approbation of the steps taken by the late unofficial members of the Legislative Council." (33) And in the next month: "The arrival of each post increases the number of Country Municipalities, who have approved the conduct of the four unofficial Members of the late Council and recorded their entire concurrence in the Draft Constitution framed by these Gentlemen, as the only one which they consider adapted for the future Government of this Colony." (34)

In October, Fairbairn, later joined by Stockenström, proceeded to London, armed with the Popular Party's draft constitutional recommendations, entitled the Sixteen Articles. (35) On Fairbairn's departure, a great groundswell of support for him was again evident in the Zuid-Afrikaan, which described the event as "Such a display of public feeling and sympathy we have never witnessed before." (36) Yet, despite being warmly welcomed by the Colonial Reform Society (British MP Sir Charles Adderley in particular) and gaining some access to the British parliament, the Fairbairn/Stockenström deputation was generally cold shouldered by the

Colonial Office. (37) On Fairbairn's return to Cape Town, therefore, his pivotal role in the fight for constitutional reform continued in the form of editorials, meetings and discussions, during the much delayed progress of the constitutional issue.

The constitution eventually granted to the Cape by the Imperial authorities in 1853 differed from the Sixteen Articles, particularly in respect of the lower qualification for Legislative Council members recommended in the Popular Party document. Yet, they were similar enough in terms of the low franchise - both versions ultimately owing much to the spirit of William Porter's original draft of 1848, as well as to debates generated during 1850 in the Legislative Council when the Popular Party was briefly present - for Fairbairn, on first learning the details of the new constitution, to grab the honours on behalf of his group and state triumphantly: "... the petition of the Colonists in favour of the 'SIXTEEN ARTICLES of 1850' have been very graciously fulfilled." (38)

Summing up his role in the achievement of parliamentary government, Fairbairn's biographer has thus justifiably declared: "On the constitutional front Fairbairn was the leading champion of attaining representative government..." (39) He was until 1854 kingpin in almost every issue connected with the reform of colonial government and, according to a contemporary of Fairbairn, R. W. Murray, "... he had done a work of a lifetime before the first parliament was convened..." (40) Though subsequently he failed by a narrow margin to be elected Speaker in the new parliament, he was initially regarded as unofficial leader of the House, making his most important contribution thereafter in the field of parliamentary procedures and serving on numerous select committees. (41)

But Fairbairn's role as 'popular' leader after 1848 marked a change in his relationships which was to stamp its character on his future political role. The alteration first became apparent in the wake of the Anti-Convict

Agitation in his growing reconciliation and co-operation with Western Cape country residents, mainly farmers. His subjective wish to reconcile and unify the English and Dutch/Afrikaans sectors of the colonial bourgeoisie was only a partial factor in explaining the reasons for such an alteration. The change was symptomatic also of a wider phenomenon in the Western Cape, an immediate result of the demands of a united struggle for local autonomy, in which traditional antagonisms between the English and Dutch in the Western Cape were temporarily broken down. Yet, in the process of achievement of representative government, new class alignments were generated. On the one hand, divisions within the commercial bourgeoisie were thrown up, in which one sector attempted to place obstacles in the way of 'popular' fight for self-government. On the other hand, an alignment between the commercial and farming bourgeoisie was created which, while a reflection of the demands of a united struggle, was in turn to mould the course of the new parliament.

4.4 Class alignment and the franchise issue

Merchant capital in this study is understood to cover a variety of strictly commercial (exchange) interests - including wholesaling and wholesaling-retailing - as well as money-dealing, whose objectives cannot be simply reduced to mirroring or neatly interlocking with those of British imperialism and/or an import-export capital network. The local base of such a commercial bourgeoisie, as mirrored by Fairbairn, has been explored in earlier chapters and will be further examined in this chapter.

(42)

Significant sections of the Cape commercial bourgeoisie were locally based, i.e. their livelihood arose out of trade, based on local production, particularly with the progressive blurring between the wholesale and retail trade during the course of the century. (43) Precisely because of this, their position cannot be reduced to an external group exploiting all classes in the colony, including the farmers, as suggested by an analysis

of Graaff-Reinet wool farmers and merchants during this period. (44) When Marx said: "Commercial capital, when it holds a dominant position, is thus in all cases a system of plunder", he was asserting this within the context of overseas colonial trade, and within the context of the exploitation by commerce of societies whose production was orientated towards subsistence. (45) Kay has also stated the distinction quite clearly. He says: "Or to put it in another way: in capitalist society no fundamental contradiction exists between the sphere of circulation and the sphere of production because both are under the control of the same class. In non-capitalist societies, however, where capital exists in the one sphere but not in the other, a contradiction does arise between the spheres and can develop into the decisive aspect of their history." (46) The contradiction between a white agricultural sector with no capital and a white commercial sector with capital does not hold in the period under discussion at the Cape. Though agriculture even in the Western Cape cannot be regarded as fully capitalist, but instead as undergoing a process of capitalization, capital nevertheless existed in both sectors of the economy. Merchants/traders and farmers, therefore, formed a common dominant ruling class, vis a vis the rural proletariat and conquered tribespeople, though with obvious areas of conflicting interests and undeniably differing attitudes to methods of exploitation. The 1854 constitution formalized, precisely, the nature of local colonial rule, viz. the colonial government aided by a partnership of the commercial bourgeoisie and the farmers. Yet, having said this, in the period preceding the grant of self-government, conflict within the commercial bourgeoisie was very much in evidence and temporarily assumed significant political proportions, while, simultaneously, farming and commercial interests enjoyed an exceptional period of co-operation.

During the 1820s and 1830s new sections of the commercial bourgeoisie deepened and strengthened its local base, in the process revealing antagonisms between the old-established, British-connected merchant elite

and new local layers. These antagonisms became especially marked after 1848 when the Anti-Convict Agitation and in its wake, the Popular Party brought the more locally-based sectors to the political fore. (47) Sectional conflict was evident during the events of the Anti-Convict Agitation in the split which occurred in the ranks of the Anti-Convict Association, between the so-called Moderates and Ultras. Among the former, who resigned in protest against the decision for total boycott of government officials and bodies, were a number of established merchants. These included J.B. Ebdon, H.E. Rutherfoord, A. McDonald, W. Gadney, T. Ansdell, G.W. Prince, and E.J. Jerram, etc., all prominent import-export merchants. (48) The further prosecution of boycott policies obviously suited the strategy of an aspirant newly-rising sector better than an already established group with acknowledged status and existing official ties.

In the period succeeding the Anti-Convict Agitation when the struggle for a representative government became the main and fixed objective of the leading representatives of the colonists, an opposition conservative grouping emerged, prominently headed by Robert Godlonton, editor of the Graham's Town Journal. This pro-government group, strongly Eastern Province in character, formed an alliance with officials, in particular Montagu, the Colonial Secretary, to fight for a higher franchise. A small band of influential Cape Town merchants was also associated with them. The group's members were willing to participate in such rump Legislative Councils as the Governor could muster, in the wake of the Popular Party's resignation, and placed themselves in clear opposition to Fairbairn and the supporters of the Popular Party. Separatist claims, turning largely on economic jealousy of the Western Cape and inequalities of administration and finance, were highest on the agenda, as far as the Eastern Province members of the group were concerned. (49) But common to both was the self-interest of the English element which, being the wealthiest section and a minority, obviously felt threatened at the enfranchisement of the poorer majority (Dutch/Afrikaans) and the decrease of the official element. The

latter was regarded as a form of protection in view of the balance of forces existing between the English and Dutch/Afrikaans. (50)

In May 1850 a Cape Town petition was submitted to the municipality requesting postponement of the ballot for members of the Legislative Council, claiming indecent haste in the whole affair. It was signed by a number of prominent merchants, including E. Christian, T. Ansdell, the Chiappini brothers, G.W. Prince, J. King, R.W. Eaton, G. Thompson and W. Billingsley. (51) Late in 1850 several merchants again petitioned the Governor, this time to raise the electoral franchise for the Legislative Council from £25 to £500. Signatories on the occasion were, inter alia, J. Stein, J.D. Thomson, E. Christian, A. McDonald, T. Ansdell, E.J. Jeram, J. King, G.W. Prince and the Chiappini brothers. (52) After the resignation of the Popular Party, participants in the rump (nominated) Legislative Council in 1851 had amongst their number the Cape Town merchants, C. Arckoll, E. Christian and retired businessman, William Hawkins; while R.W. Eaton, a leading Cape Town merchant, has been mentioned as sponsor for the Conservative group's newspaper, the Cape Monitor. (53)

Clearly, then, as Warren has indicated, this same conservative grouping of Cape Town merchants appear throughout the period of constitutional struggle. Their fight to make the vote less democratic can only be seen as a reflection of their interests which they saw as best protected by the rule of the rich, in the strong presence of the colonial government. They felt no need to establish support among the majority of poorer white settlers engaged mainly in agriculture. They represented in an exclusive way the interests of an English-run, overseas-linked commerce. However, the composition of the respective groups of merchants at the time of the Anti-Convict Agitation and the constitutional struggle, does not appear wholly identical. (54) It would be difficult to believe that men like Ebden and Rutherford, while certainly objecting to the further boycott measures decided on by the Ultras during the Anti-Convict campaign (55), would be

associated with a fight against a low franchise, bearing in mind that just a couple of years later they were both successfully elected to the new parliament, proudly based on that wide suffrage. The absence of both Ebdon and Rutherford's names as merchant petitioners for a higher franchise is therefore not surprising. (56)

In the second Parliament of 1859, however, two Cape Town merchants who had indeed formed part of the earlier conservative grouping were elected. These were J. Stein of Hamilton Ross & Co., MLC 1859-1863, 1865-1868 and J.D. Thomson of Thomson, Watson & Co., MLA 1859-1861. (57) A group initially committed to an elitist franchise was absent amongst Cape Town MPs of the first parliament. The subsequent successful election of men such as Stein and Thomson to the second Parliament, therefore, represented a greater integration of the conservative merchant element into Parliament. Their willingness to join was a result perhaps of their softening in attitude during the intervening four years. They had recognized what little threat the new constitution posed and also experienced the material fruits of self-government, in spite of the low franchise. As Kirk bluntly states: "The merchants, the 'commercial middle class', the Grahamstown traders - all received the slice of public credit they hungered for" from the new parliament. (58)

Warren has attributed the disappearance of sectional antagonisms within the commercial bourgeoisie to a defeat of the merchant elite, symbolized by the triumph of the low franchise and a so-called healing process begun in the wake of the new constitution. (59) Yet, a reporter during those years, R.W. Murray, placed a quite different emphasis on developments in the new parliament. Murray indicated that the election of 1859 of the conservative merchant sector, in the form of Stein and Thomson, represented a defeat for the Popular Party at the hands of the conservative group. Clearly conservative and English-orientated, Murray carefully underlined a change in character between the parliaments of 1854 and 1859. He noted

that the first parliament was dominated by leaders of the Popular Party.

The merchant elite

...had not the shadow of a chance of getting a candidate returned for four years, nor would they at the end of that time, but that in 1858 it was discovered that the Constitution Ordinance had no bribery clause, and the merchants on the discovery of that, to them, cheering fact, resolved to make a push for it. They had the wealth, and as Cape Town votes were as purchaseable as snoek or rice they in 1858 succeeded in getting Mr. John Stein, of Hamilton Ross & Co., returned to the Legislative Council at the head of the poll, although he was reduced to second place by the scrutineers, who were of the Barry party. This was followed by the return of Mr. J.D. Thomson, of the firm, Thomson, Watson & Co. to the House of Assembly... The popular party was nowhere from that time. The return of members for Cape Town and the Western Province fell completely into the hands of what was called the Conservative party, and this was the case in the Eastern Province, as the motto of the Easterns had been from the arrival of the 1820 Settlers 'Conservative yet Progressive'. (60)

Murray in fact clarified the issue in his opinion signalling the defeat of the Popular Party and the triumph of conservatism, viz. the failure to gain responsible government. He stated the "pith of conservatism from 1854 was opposition to Responsible Government." (61) A motion for responsible government had been fought for by Fairbairn, Molteno and a few others during the second year of the first parliament but it had enjoyed little support. Even Saul Solomon, a later advocate, was at that time only willing to move for some transitional form of responsible administration. (62) Responsible government was ultimately to be introduced only in 1872. Murray thus traced the beginning of the demise of the Popular Party to its defeat on the motion of responsible government, during the early years of the Cape parliament. The disappearance of the party in any case should come as no surprise, when one takes into account its formation mainly around the single issue of self-government and the franchise. Developments in the longer term were therefore more complicated than a mere victory for the popular movement and a defeat for the conservatives. The new constitution was in itself a victory for the Popular Party, as more radical local power group. It symbolized a defeat for the conservative merchant elite and Eastern Province gentry. But the period almost immediately thereafter saw a reversal of fortune. The following years in fact witnessed the disappearance of the Popular Party, the Conservatives' most vocal political

enemy. Simultaneously, as will be shown, the political alliance between commerce and agriculture, represented in the support enjoyed by the Popular Party, was replaced by an even looser, unstated electoral truce between commerce and agriculture, though with little hint of the former popular rhetoric and practice.

The reason for the conflict between the group of conservative, narrowly British in orientation merchants and the rest of the commercial bourgeoisie, concerning the nature of the franchise, was the latter's local base within colonial society, its close connections with commerce-dependent professions (e.g. law and journalism) and its links with the other major local ruling class force, viz. the farmers. Such farming contacts took the shape of new political links such as the Popular Party, family connections and co-operation in institutions, such as the Cape Town municipality where, for instance, the farmer Michiel van Breda was chairman between 1840 and 1843. (63)

Growing local political strengths were also the reason for the unity of action that emerged at this time between commerce and agriculture. The shift of the political balance in favour of local commerce and agriculture was in turn a reflection of the colony's economic expansion, traced in the previous chapter. Economic growth encouraged the commercial bourgeoisie's new degree of confidence and further stimulated its economic and political ambitions. The importance of a government with a very marked degree of local control in both houses of parliament, ensuring local access to colonial revenue, lay in the sphere of capital guarantee. Business and propertied interests hoped that capital could be secured for public works and a local economic infrastructure, if they could gain significant control of government. (64) Above all, a low franchise was viewed as a sure way of achieving the relative diminution in power of the English wealthy and official element, by the inclusion of larger numbers of the Dutch/Afrikaner electorate, urban and especially rural. The aim of many

supporters of the low franchise, therefore, was not the liberal incorporation of 'coloured' voters, though certainly some individuals, like Fairbairn, held the non-racial franchise to be an important aspect. There was more than a subtle nuance of difference between the campaign for a low franchise and a non-racial one. While both amounted in the final analysis to the same thing, the emphasis of a man like Fairbairn fell on the more liberal aspects of the non-racial element, inherent in a low property qualification. (65) He was committed over the years to including the 'coloured' people, in some form into the parliamentary system. While his earlier quoted remarks of 1848 clearly revealed his knowledge of how few 'coloured' people would be included, he remained protective of their interests. (66) He believed the new constitution would secure the rights of the 'coloured' classes. In August 1853, against a background of a continuing alarm amongst the 'coloured' people at the impending new parliament, rightly seen as marking a more pronounced degree of local landowners' power, at the expense of the Queen's protection, Fairbairn tried to soothe such fears, declaring:

The common people, therefore, or, as they are sometimes called here, the colored classes, have nothing to fear, but everything to hope from the Constitution. The upper classes are not so ignorant of the principles of society, as they were in former times. They know that their own prospects, their property, wealth, and happiness, are inseparably bound up with the freedom and contentment of the common people... In some places, it is said, attempts have been made to alarm the colored population, by telling them that the Constitution will remove them from under the Government of the Queen, and subject them to a Local Parliament exclusively filled with white men and men of property. Let them be assured by those who, they know, were never indifferent to their rights, that all who tell them so, are deceivers or deceived.

The Queen, Fairbairn said, would continue to remain sovereign and should the white people [be] so blind to their own interests, so foolish, or so wicked, as to seek the degradation of their fellow-subjects, the Queen would check them in a moment. She retains this power by the Constitution; and by granting a Franchise which includes the colored people of every name and origin, She has sufficiently proved her determination to exercise it, should it ever be required for their protection. That franchise also places in their own hands, the power to protect themselves, by giving their votes to men whom they know they can trust, and there is no scarcity of such in this Colony. (67)

Opposed to Fairbairn's viewpoint were thus many supporters of a low franchise, for whom the key question was a franchise low enough to reverse the

position of strength of the mainly British elite, in favour of the majority of white colonists, the generally less wealthy, mainly Dutch-speaking sections spread throughout the rural areas. (68) In this context, the Zuid-Afrikaan seems to have laid its cards on the table, typifying no doubt a more generally held position. It declared that the low franchise was a demand of the British government which had to be accepted and that, anyway, it presented little threat from non-white voters. The editor stated "... the low qualification has originated with the Government, - corresponds with the spirit of the Report of the Privy Council, and has been copied in the draft of the popular members, both from a conviction of its being the best, and the surest and only way of obviating serious opposition at home." [author's emphasis] By way of reassurance to readers, he went on to recount how a Javanese had recently been returned as a municipal commissioner but being out of his depth and unable to cope, he was forced to retire. There would be a similar result, he predicted, if such a man was returned as an MP, and this would continue to be the case "until many years of progressive civilization shall have prepared the lower classes of this colony to aspire to the abovementioned distinctions." (69) The low franchise, therefore, was regarded in certain quarters as a kind of a "bargain" entailing certain risks, but necessary for the achievement of certain "own affairs" objectives. This was confirmed by comments in the Zuid-Afrikaan a few years later. Discussing the achievements of the new parliament, the editor remarked: "After a little jarring and jolting it is to be hoped that all things will fall into their right place, and that our Constitution after all will not turn out 'a bad bargain'". (70)

This cynicism was not total and among a number of propertied Dutch/Afrikaners there existed a genuine form of liberal sentiment. The popular agitation of the period since 1848 had infused the spirits of many who for years had seen their privileges and rights eroded in favour of the British element. (71) The overt, arrogant racism of the English Eastern

Province gentry and officials towards the Dutch/Afrikaners was particularly evident during the franchise struggle and such attitudes may have contributed to the latter's sympathy for some form of liberal solution to the colony's problems. (72) Trade and agriculture had been subject to considerable commercialization and, with the improvement of education, there had been a marked degree of liberalization among middle class Dutch/Afrikaners. (73) Du Toit has in fact referred to this period of history as the Afrikaners' failed liberal moment. (74) F.W. Reitz was therefore not alone, in his warm and deeply-felt expression of gratitude towards Fairbairn, for having "prepared the minds of our countrymen for the voluntary admission of all classes and races of our mixed community to the fullest share in the privileges of freemen." (75) For a short while in the late 1840s and 1850s there had thus existed a limited 'popular' movement amongst Dutch/Afrikaners which could both accommodate Fairbairn and with which he, in turn, could associate himself, in terms of his objectives of 'national' unity and self-rule.

Ultimately, however, the grant of the franchise was the result of the Imperial authorities' acceptance of the need for such a franchise. In 1853 the Aberdeen coalition of Whigs and the followers of Peel came to power with Newcastle, clearly associated with the Colonial Reformers, appointed as Colonial Secretary. After the heightened period of resistance by white, 'coloured' and Xhosa in the colony, the first step by the new ministry was to align the Imperial government with a new and wider set of collaborators, the rising middle class, in order to restore British authority at the Cape and inspire or re-inspire loyalty to Her Majesty's government. (76) Further outright coercion as far as the whites in the colony were concerned was impossible and a system of genuine co-optation had to be implemented. Possibly, the granting of a low franchise was also recognition of the need to win the support of a significant majority of the colonists, in order to avert further resistance on two fronts, i.e. both from colonists and colonized.

The willingness of the British government to accommodate the demand for self-government by the colonists can itself only be understood in the light of forces operating in Britain in a period in which the "industrial bourgeoisie forced its entry into the political system with the Reform Bill of 1832, and middle-class radicalism achieved a number of significant goals in its wake." These successes included the implementation of free trade, the abolition of mercantilist state controls and colonial reform. (77) Kirk has indicated that the men who subscribed to or supported colonial reform formed a distinct school with adherents from different parties. They adopted differing opinions as to the recommended strength of British military forces in the colonies and to the protection afforded Britain by ties of commerce alone. (78) But they understood that the demand for self-government was not a threat to imperial ties. "Experience in Canada taught them that the leaders of the 'commercial middle class' need not be feared, that their clamour for a voice in government sprung not from democratic republicanism but from anxiety to share in the financial spoils from running the colony, and that the London money market was the only citadel they wished to storm." (79) Like the old colonial system based on the Navigation Acts and colonial preference, the new one was also "designed to provide a framework in which Britain could profit from its Empire to greatest advantage." The argument was over the best way to maintain the Empire. (80) Thus, from earlier theories of political economy "were formed conceptions of empire-building which were both a spur and a weapon, and were to serve as an accepted justification of an Empire of Free Trade at whose core was the dream that England would be the Workshop of the World, the center of a cosmopolitan international economy which would constitute the basis of a Pax Britannica." (81) It was in the light of these developments at home that the Aberdeen coalition could accommodate, finalize and sanction the Cape's first constitution and representative government.

The humanitarian aim of a non-racial franchise to incorporate the small number of propertied 'coloured' voters was not, therefore, the Colonial Government's main purpose in a low franchise. As Trapido has stated: "On the contrary, had the interests of the Coloured population been primary, then the granting of a legislative assembly would have been delayed." "Porter knew", Trapido states, "that the Coloured population would have preferred the political institutions to remain unaltered, but if the constitutional changes had to come, then it would support the maintenance of the imperial connexion." (82) Moreover, despite the comparatively low franchise, the poverty of most 'coloured' voters resulted in a small number only being eligible to vote. (83) The British government's primary (though not exclusive) aim, therefore, was to win the allegiance of the majority of the white colonists. Porter, the Attorney-General and a key figure in the drafting of the Cape constitution, said at that time: either the popular element had to be excluded from participation in government or they had to be made "its essential principle, for no middle course will work with either comfort to the Government or contentment to the people". (84) Nevertheless, the inclusion of 'coloured' voters, arising out of the low franchise, had also been given careful thought. The British government certainly wished to avoid any constitutional clause which smacked of racial discrimination. (85) It furthermore calculated on the support of a loyal 'coloured' vote, as is evident from Porter's statement above. Finally, and by no means a negligible consideration in calculations made by colonial government officials, was Khoisan/'coloured' resistance over the years, both on the frontier and as recently as 1851 in the Western Cape, when an attempt was made at the introduction of a squatters' Ordinance. Limited 'coloured' incorporation provided an additional mechanism for mending what Trapido has characterized as the breakdown of political consent which had occurred in the preceding period. (86) A complex of factors interacting upon each other thus accounted for the structure of the low franchise adopted in the Cape's first constitution. (87)

4.5 Commerce and agriculture in the new parliament:

"proletarian" control as the task of the day

The new government installed in 1854 consisted of a Governor and a parliament of two elected chambers, the Upper House or Legislative Council and the Lower House or Legislative Assembly. For Legislative Council purposes, the colony was divided into two electoral districts, the Western and the Eastern Province, returning eight and seven representatives, respectively. The Legislative Assembly consisted of 46 members representing constituencies in both provinces. Importantly, a uniform low, adult male franchise qualification was adopted for both houses, viz. an occupier of property worth £25 and/or annual earnings of £50. Qualification for membership of the Assembly was the same as the general electoral franchise qualification. Qualification for the Council was set at £2 000 immoveable property, unmortgaged or, if mortgaged, a minimum of £4 000 moveable and unmoveable property (over and above all just debts). (88)

This was a representative form of parliamentary government and not responsible government. Under the representative system at the Cape the principal officers of the Crown (the Executive) were appointed in Britain and not locally elected. They sat in both houses of parliament, spoke, and were entitled to move motions and participated in select committees. Responsible government introduced at the Cape in 1872 was different in that the principal officers of the Crown were replaced by ministers, elected as MPs and responsible to parliament. (89)

The House of Assembly of the first parliament was dominated by commerce and agriculture. With final results still incomplete, Fairbairn listed the members of the Assembly in the following way: Merchants 9:- Jarvis, Watson, Wiggins, Barry, Cock, Thackwray, Meintjes, Molteno, Vorster; Capitalists 3 (90):- Maynard, Loedolf, Ziervogel; Agriculturists 13:- Duckitt, Darnell, Laws, White, Krog, Hartman, Bowker, Stretch, Painter, Stewart, Bowker, Collett, Muller; Lawyers 3:- Brand, Watermeyer, Hofmeyr;

Attornies and Public Notaries 2:- Fairbridge and De Villiers; Deputy Sheriffs 2:- Gilfillan, Swemmer; Auctioneers and General Agents 3:- Bosman, Steytler, Pote; Physicians 2:- Abercrombie, Biccard; Editors and Proprietors of Newspapers 3:- Fairbairn, Franklin, Raterson; Printer and Publisher 1:- Solomon. (91) In this provisional listing, merchants/capitalists/auctioneers totalled 15, as opposed to 13 farmers. In addition, amongst the urban professional men, such as lawyers, attornies, editors and publishers were men like Fairbairn with close affiliations to commerce. In numerical terms commerce may just have had the edge over agriculture in the Assembly of the first parliament.

Elected to the Legislative Council, Western Division, were H.E. Ruthfoord, J.B. Ebdon, Joseph Barry and Johan Hendrik Wicht, all four prominent merchants. (92) Besides the merchants, the commercial farmers, Francis William Reitz and Dirk Gysbert van Breda and the advocate, J. de Wet LL.D. were returned. (93) The eighth member, Henry Thomas Vigne, has been called a Cape Town merchant and elsewhere described as a gentleman farmer of the Caledon district. (94) In the Eastern Division, out of the seven members, four were merchants from Grahamstown and Port Elizabeth - G. Wood, H. Blaine, W.S.G. Metelerkamp and W. Fleming, one a newspaper publisher - R. Godlonton and two represented landed interests - Sir A. Stockenström and G.D. Joubert. (95) According to Marincowitz, commerce was also extremely influential in the succeeding parliament. In 1859 the Legislative Council consisted of eight merchants, five agriculturalists and one retired civil servant. In the House of Assembly of the 46 members, 20 were merchants/traders/general agents, four newspaper editors and owners, two barristers, two physicians, four retired civil servants or private gentlemen and 14 agriculturalists. (96)

Commercial interests were clearly well represented in the first two Cape parliaments. The years 1854 to 1859 can arguably be viewed as part of the period of the heyday of the commercial bourgeoisie's political power, in

contrast to subsequent developments, nationally and internationally, which had led by the 1870s and 1880s to the relative erosion of the merchant capital component, both within the ruling alliance and in the economy generally. (97) Yet, as indicated later, this political power was operable only on the basis of an informal agreement with agriculture and dependent on the particular circumstances of the economy and the general political climate. (98) Thus, in the run-up to the first elections, the Zuid-Afrikaan's editor found himself able to defend, express conciliatory overtures towards, and even praise the merchants, a group to which the paper was customarily virulently hostile. In 1854, the editor set about refuting the generalization that very few merchants had an interest in the "permanent welfare" of the colony as "unfair and impolitic", citing the crucially supportive role played during the earlier period by the body of Cape-connected men resident in London and arguing for the necessity in the new parliament of men with financial knowledge: "We would think a Legislative Assembly very incomplete without a few merchants; because by the nature of their pursuits they are the most competent judges of financial questions... When a tax is to be imposed, who is more likely to know how it will affect the revenue than the merchant?... Thus it appears that in many instances the legislator, though he may be a lawyer and a politician to boot, may be all the better for having a merchant at his elbow." (99)

The reasons for this mainly unstated, de facto understanding, were partly a heritage of the period of popular agitation during the Anti-Convict Agitation and the united struggle by various groups of the colonists in their bid for self-government. It can also be understood against the scenario of optimism and economic boom which characterized the 1850s. In 1854 elements of the commercial and agricultural middle class stood with a mixture of naive enthusiasm and euphoria on the threshold of partial self-rule. Their actions were infused by an enthusiastic commitment to the workings of electoral democracy and the new parliament. At that precise moment the need to pull together in order to establish a united, politi-

cally strengthened and locally-administered colony, appeared highest on the agenda. After years of bitter conflict - signalled by the arrival of the British occupationary forces in 1795 - long-held and long-suppressed ambitions for self-rule were about to be realized. The general expansionary nature of the period, traced in earlier chapters, limited endemic tensions between commerce and agriculture around issues such as farmers' protection and made for reduced competition on scarce sources such as labour and credit.

The situation of the different farming sectors during the period of the first parliament each contributed to the spirit of co-operation. During the later 1850s Cape wine was presented, albeit temporarily, with very favourable market conditions because of disease which had struck European vineyards. The years 1854 to 1857 marked an especially flourishing period in the Cape wine export trade. From 1853 to 1859 wine exports in fact increased tenfold. During that same period export to Britain represented some 82% of total wine exports, rising to 91% in 1859. (100) After years of struggle to re-establish the wine industry, in the wake of the distress caused by the reduction of preferential wine tariffs in 1825 and other subsequent difficulties, free trade may not, at that point, have appeared the threat and danger it had earlier. In such an economic and political climate, therefore, parliamentary manifestos by country MPs, proclaiming free trade, could be presented without appearing traitorous of farmers' interests. (101)

The period from the 1820s to 1840s had also seen Cape wine merchants and producers engaged in a bitter battle over the import of overseas, especially French, brandy used in the fortification of wines. Whereas Cape producers wished to foster the expansion of local brandy by restrictions on the import of French brandy, wine merchants opposed such measures on the grounds of overseas preference for imported French brandy. The attempt at a compromise tariff system to satisfy both parties, empowered by an

Order-in-Council of 1848, left the merchants relatively disgruntled but, for the time being at least, ended the conflict between merchants and producers over the issue. (102) Settlement of the dispute and the increasing use of Cape brandy in wine fortification during the later 1850s (103), may have further cemented Cape wine farmers' satisfaction during the period of the first parliament.

Wool markets were primarily situated overseas. Wool farmers in the Western and the Eastern Provinces had no grounds for wishing to curtail free trade, as British industry's appetite for raw wool could not be satisfied at this time. (104) The situation of wheat farmers was different but nevertheless contributed to the situation of relative harmony. Wheat was an agricultural staple at the Cape and has been described as the most important commodity in terms of overall value on the local market. (105) It was not an export crop. The period 1854 to 1861 was characterized by increasing but uneven growth. (106) Yet, despite the smallness of the local market and the apparent significant importations of relatively cheaper Australian and USA wheat, which resulted in rapid local price fluctuations, there was little protest by wheat farmers in the period under examination. (107)

The circumstances of relative peace between producers and merchants were enhanced by the organizational immaturity of farming interests. Farming organizations were established only during the 1870s and even then were slow to incorporate wheat farmers' demands, continuing to promote the well-being of the more influential wine and wool farmers. (108) Nor did the Cape of Good Hope Agricultural Society, established as far back as 1831, represent an organization geared towards the exclusive interests of farmers. Despite its name and its many activities associated with the promotion of wine production, it was not a genuinely farmer-based organization. In 1837-1838 a number of big merchants were in fact committee members, including C.S. Pillans, A. Chiappini, J.B. Ebdon, H. Ross and

G. Thompson. Even later on in 1857 the merchants E. Landsberg, C. Manuel, J.H. Munnik and E.J. Jerram served on the committee and the only farmer that can be identified with any confidence is S.V. van Reenen, a wine farmer of Constantia. (109) With such a membership, the society did not represent a forum for the exclusive interests of producers. (110) "The class interests and conflicts of the various types of farmers [which] all worked towards the politicization of latent [Afrikaner] ethnic ties" in the subsequent period (111), were nowhere apparent during the period examined here and, if thought of, were probably swept away in the euphoria of the mid-1850s.

Economic factors, together with political enthusiasm for the new constitution, produced an optimism and euphoria which was evident in Fairbairn's editorials, as well as the manifestos of candidates standing for the first parliament. Thus, in an editorial of May 1853 with news of the constitution safely arrived in the Cape and preparations for the celebration of the Queen's birthday also well under way, Fairbairn launched forth, movingly, with an outpouring of joy and relief:

Thus happily will end a struggle for Liberty, personal, national, and civil, which has occupied the thoughts, and tested the sincerity of men for the full period usually allotted to a generation. In 1823, the full rights of British subjects were for the first time openly and formally claimed by and for all British subjects in this Colony. (112) At that time it was found that the law denied them these rights. The struggle, therefore, was not against persons, - not against Governors, or Magistrates, as such, - not even against abuse of authority. The men who began, continued, and some of whom remain to see the glorious end of this 'THIRTY YEARS' WAR', had wider views and nobler aims. Their purpose was to elevate all classes of the community to the rank, the dignity, and the responsible position of Freedom. A country may be cultivated; its physical capabilities may be wrought up to a high degree of perfection; its outward prosperity may appear boundless; but if the people are not free, if all is done for them and nothing by them - God does not look down from Heaven on a scene more deplorable. In the midst of luxuriant nature, man is the only growth that dwindles. Man who was made only a little lower than the angels, speaks through life scarcely a little higher than the brutes. It was to enable the people of this Colony to realize their natural destiny, that the struggle for freedom was begun in 1823, and unflinchingly maintained to its consummation in 'THE CONSTITUTION OF 1853'. (113)

A declared universal commitment to issues such as the new franchise, free trade, equality and democracy thus was evident in manifestos and state-

ments of principles by nominated MPs in town and country, during the first elections.

J.B. Ebdon was described by his election committee as "a most anxious reformer" with a long connection to commerce of the Colony (114); and Howson E. Rutherford as a merchant of strictest integrity - "constant defender of public rights and liberties" - who believed in loyalty, reverence for the laws, liberty for the people, justice to all irrespective of race, class or origin, and in free trade as natural and right. (115) The connection of Dr Johannes Rudolph Zeederberg with agriculture was stressed by his electoral committees in Paarl and Cape Town. His commitment to "equal protection to all, without distinction of Class, Colour or Race as the 'sine qua non' of a well-ordered state of Society" was underlined, as was his support for an ending of monopolies and the freedom of trade, the latter, according to the committees, sanctioned by the most enlightened statesmen and financiers of the day. "In a word Dr. Zeederberg's principles are most decidedly liberal", voters were told. (116) The committee for the election of O.J. Truter described their candidate as closely connected to agriculture, a supporter of liberal institutions, who believed that the rights of every individual and every class of individuals should be protected. (117) Fairbairn, in his manifesto to the electors of Swellendam, proclaimed his track record regarding freedom of the press, the new constitution and free trade. He blurred the division of interest between merchants and farmers, stating: "As some of you are merchants and traders, and all of you dealers, buyers and sellers of goods or produce, I need not add that we must agree in placing COMMERCE in a state of perfect Freedom, - that the Colonist may produce or make what he pleases, carry it where he pleases, and sell it to whom he pleases." (118)

With this kind of unanimity of electoral principles, it is not surprising to find the Attorney-General, William Porter and Fairbairn remarking on this precise point. Porter commented on the paucity of election speeches

at the Cape, which lasted a mere fifteen minutes compared to what he had experienced elsewhere, where a four to five hour speech was the practice. (119) Fairbairn stated that the parliamentary candidates tended to discuss the same issues, viz. equality, education and public works, etc. He explained that debate was necessary to convey candidates' ideas, but its absence at that time was perhaps due to the colonists temporarily resting. He explained that "after every victory there has been a pause; and our recent victory being a crowning one, the present stillness is naturally most profound." He hoped that the situation would improve during the next election when there would be more intelligent debate, the ultimate result of self-government. (120).

This alignment of commerce and agriculture continued in the years after 1854. Based on this co-operation, parliament, it will be shown, witnessed the introduction of reforms and measures in the interest of trade, finance and general economic expansion. Yet, co-operation was largely made possible by the willingness of commerce to amend legislation in favour of agriculture, in a sphere acknowledged as most crucial to the latter's interests, viz. the issue of master and servant. The question of farm labour was therefore a key factor in the success of the agreement.

While claiming that commercial interests dominated the Cape parliament at least up to the 1880s and remained strong thereafter, Marincowitz was careful to distinguish between the extent of commerce's commitment to free trade on the one hand and free labour on the other. He says: "... merchants and traders proved far less resolute in their defence of a 'free trade' in labour than in other commodities in which they had more direct trading interests." (121) And it was precisely the question of increased control over farm labour that was seen by agricultural interests, the majority of white voters, as the greatest task confronting the new parliament of 1854.

Ever since the slave emancipation in 1834 there had been attempts to introduce legislation aimed at re-creating harsher control of the rural proletariat. Despite the British government's initial hesitation and its refusal to sanction the Master and Servant Ordinance of 1839, a more draconian form of a Master and Servant Ordinance was finally made part of the statute book in 1846. (122) This, however, still did not meet the wishes of farmers and dissatisfaction was constantly expressed on that count.

The Zuid-Afrikaan continued to act largely as spokesman for the farmers on the question of labour, as it had formerly done during emancipation. Recognition of its role in this regard was acknowledged in correspondence to the editor when, in 1848, 'An old wine farmer' described the paper "as an important household article for every agriculturalist". (123) In terms of this role an editorial on the subject of farm labour stated exasperatedly in 1849: "The complaints and grievances continually expressed on that head, are almost innumerable, but redress has hitherto been sought in vain... All the Council here can do is to call information, and to make proposals and recommendations..." (124) A few days later the editor remarked that complaints were coming in from all parts of the country about the shortage of labour and that this would continue until some effort was made by the government or missionaries to "stem the evil which threatens destruction to Agriculture - the mainspring of wealth." (125) On the eve of the new parliament, an editorial in the Zuid-Afrikaan reminded its readers of the task of the day: "Nor can we pretend to announce a new truth when we assert that the want of hands is the most urgent want of this Colony." (126)

Not surprisingly, then, pressure for a new Master and Servant law was reflected in parliament already in 1854, though legislation was not finalized for another two years. During debates in the House of Assembly, in July 1854 J.C. Molteno, MLA for Beaufort, expressed disappointment that the

government had not brought forward any draft legislation on the subject: "I think if there is any one subject which the government ought to have been prepared with, it is this. If there is one subject upon which the country generally is looking to Parliament to legislate upon, it is this; at least I can speak for my constituents, and I think the other country members will answer to the same effect for theirs. (Hear, hear)" (127)

In 1855, when a law still had not been passed, an editorial in the Zuid-Afrikaan fumed against the unsatisfactory state of the master and servant relationship. There would continue to be "chafing and bickering between the two classes for many a long year to come... From the day of emancipation the colored people have been government pets, and instead of keeping the emancipated race in that condition which belongs to it, instead of maintaining that subordination, in which a servant must stand to his employer, in a well organized society, the interests of the master have uniformly been sacrificed to those of the servant..." (128)

As will be discussed, limited and unsuccessful resistance to some of the terms of the Master and Servant Bill by Fairbairn and others contributed to its delay till 1856, but its eventual success was beyond doubt. (129) With the draft of the Master and Servant Bill finally available, the Zuid-Afrikaan pronounced its satisfaction with the legislation. This success was possible, it analysed, only as a result of the grant of self-government. The editor declared that while "Considerable delays in promulgation of improved legislation had been experienced under the nominee government", "Bring such reports to a representative Assembly, and they are sure to create a sensation, felt alike in the East and in the West." (130) In 1857 the Zuid-Afrikaan's editor therefore happily summed up his view of the achievements of the new parliament: "Making all fair allowances, we have far more reason to be satisfied with our young parliament..." (131)

In summary, within the context of general optimism and the experience of a popular alliance, the farmers' chief demand for increased legislative control over farm workers was satisfied by the Master and Servant Law of 1856. Both because farmers as yet faced no big threat of competing labour demands from other sectors of the economy (132) and because the 1850s was distinctly a period of general economic expansion in the colony, there existed a material basis for what amounted to an informal pact or temporary electoral truce between farming and commerce.

4.5.1 Company legislation passed by the new parliament

The parliamentary measures introduced after 1854 in the interest of general economic growth and of commerce, in particular, were many and varied. Act No. 1 of 1855 passed in the second year of the Cape parliament finally removed the last vestiges of mercantilism, putting an end to the privileged entry of British goods by the introduction of a uniform rate of custom tariffs. (133) Between 1855 and 1859 Acts were passed to improve harbours, and roads and establish the first railway, to regulate merchant shipping, payment of bills of exchange, the conduct of sales by auction, weights and measures and insolvency rehabilitation. (134)

The general import of these measures with regard to commerce and indeed all aspects of capitalist endeavour is self-evident and, for purposes of this study, the details will not be examined. However, there is a group of legislative measures particularly significant for commerce and company growth which, being an unexplored topic of considerable interest, will be discussed. Important developments took place in the sphere of legally defining and improving the structure of joint-stock companies, which by then had grown into so regular a feature of commercial life in the colony. Advances in legislation, initiated in the period, were to find a significant conclusion in the year 1861.

Fairbairn had from early on aired various aspects in regard to the concept

of a joint-stock company. (135) But, little by way of legislation covering the general nature of companies was introduced. Some legislative measures indirectly affecting joint-stock companies had, however, been passed at the Cape. In 1843 claims on insolvent partnership estates had formed a special section of Ordinance No. 6 of 1843, For Regulating the Due Collection, Administration, and Distributuion of Insolvent Estates within this Colony, and in 1846 Ordinance No. 13, For Facilitating Loans to be Raised on the Basis of Shares in Joint Stock Companies, was passed. (136)

In the early period at the Cape most partnership firms, companies and banks continued to be formed under simple deeds of settlement drawn up by notaries (137), though after 1830 a few joint-stock companies after 1830, in an effort to establish a legal corporate character, were constituted at the time of formation or subsequently in terms of special Ordinances and/or Acts. (138) Such legislation allowed the companies some privileges associated with a corporate character, mainly in the form of empowering the secretary of the company to sue and be sued in the name of the company. This obviated the need, for instance, for an outside party to sue each shareholder individually in order to obtain redress and, vice versa, for each and every shareholder of a company to sue an outside party, both of which could be long and impossibly complicated processes, if there were several or more shareholders. Among the companies formed by special Ordinance were the South African Association for the Administration and Settlement of Estates, the Board of Executors and the Cape of Good Hope Trust & Assurance Co., all with their headquarters in Cape Town. (139)

In the period succeeding the first parliament a number of Acts were passed in and just after 1859, each again governing individual companies. These defined the nature of the company more specifically and often included a new provision, that of incorporation with limited liability. Examples are Act No. 13 of 1859, To Incorporate the Simon's Bay Dock or Patent Slip Company; Act No. 31 of 1861, For the Regulation of the Affairs of the

General Estate & Orphan Chamber; Act No. 32 of 1861, For Incorporating the Union Fire & Marine Insurance & Trust Company, and Enabling Them to Sue and Be Sued in the Name of Their Secretary; Act No. 33 of 1861, To Incorporate the Cape Town and Green Point Tramway Company; Act No. 34 of 1861, To Incorporate the Sea Point Water Works Company; and Act No. 35 of 1861, To Incorporate the Wynberg Railway Company. Of these Acts No. 31 and 32 did not include the provision of limited liability. (140)

Stemming from the provision of limited liability for shareholders was a strengthening of the legal, corporate personality, distinct from the individual partners who in the real world made up the company. The growth of legal, corporate identity had a long and troubled history in Britain, where severe prejudice against joint-stock companies had set in after the company failures following the South Sea Bubble Collapse of 1720. Accordingly, obstacles were placed in the way of joint-stock company formation, resulting in ingenious attempts by companies to convert ordinary deeds of partnership into documents of incorporation, in an effort to avoid the costly and time-consuming business of incorporation by charter or special Act of Parliament. (141) After the repeal of the Bubble Act in 1825, slow progress was made in the next two decades towards improving the legal situation regarding joint-stock companies. (142) It was in the context of the Industrial Revolution, in the wake of considerable manufacturing advance, particularly in the light of the railway mania of the 1840s and against the experience of boom and slump in the period, that pressure began to build up inexorably for legislation to regulate the operation of joint-stock companies and govern the related problem of limiting the liability of shareholders. (143)

This was achieved for the first time in the form of the Joint Stock Companies Act of 1844, which laid down the main principles for the successive development of company law. "The first great requirement, the corporate suing capacity of a trading association, had at last been met. The first

great modification in the law of partnership had been made." (144) It contained a clear definition of a joint-stock company as opposed to a private partnership, as one having more than 25 members or shares transferable without the consent of all the members. It provided for incorporation (with the attendant advantage of to sue and to be sued in the name of the company), by mere registration of the company's deed of association and not, as previously, by the time-consuming and expensive resort to charter, special Act of Parliament or Letters Patent. (145) The Limited Liability Act which followed in 1855, extended the privilege of limited liability to registered joint-stock companies, provided certain criteria were fulfilled. Shareholders' liability was limited to the value of the shares owned. Their personal property was thereby shielded from seizure. (146) The 1844 Act was subsequently consolidated in the form of the Companies Clauses Consolidation Act of 1845 and these Acts were then repealed by the Joint Stock Companies Act of 1856, which has been described as the first of the modern companies Acts. The latter was subsequently amended and consolidated in the Companies Act of 1862. (147)

At the Cape the process of replacing Roman-Dutch law with English law unfolded slowly, but nowhere in a more pronounced manner than in the field of mercantile and company law, areas left largely untouched by Roman-Dutch law, primarily because of the backward nature of commerce and finance in the VOC period. Historians of law in South Africa have argued that:

The process by which English doctrines and principles infiltrated into the law of the Cape resembles in many respects the reception of Roman law on the continent during the fifteenth and sixteenth centuries. Some English institutions marched into our law openly along the highway of legislative enactment, to the sound of brass bands, of royal commissions and public discussion. Others slipped into it quietly and unobtrusively along side-roads and by-paths... Legislative changes with an orientation towards English law were numerous... But it was not, unnaturally, in mercantile law, company law and insolvency law that the influence of English law was the strongest. Whole statutes were taken over, by reference or by promulgation as Cape statutes, from the law of England. (148)

A precise reflection of this English influence was the passing by the Cape parliament in 1861 of the Joint Stock Companies Limited Liability Act (Act

No. 23 of 1861) and the Special Partnerships Limited Liability Act (Act No. 24 of 1861), based on the English Acts of 1844 and 1855. These were the first attempts at the Cape to regulate and define in general terms the nature and operation of a joint-stock company and, by implication rather than expressed clearly, to tackle the problem of a legal corporate personality. (149) The Joint Stock Companies Act of 1861 thus contained a definition of a joint-stock company according to that laid down in the English Joint Stock Companies Act of 1844 and, likewise, provided for a mechanism for the registration of companies, thereby alleviating the need for incorporation by special Act of parliament. In addition, it guaranteed to companies so registered the privilege of limited liability, as in the English Act of 1855, to the extent of shares owned. The Special Partnerships Limited Liability Act, similarly, extended the privilege of limited liability to partnerships as defined under the Act.

The need for these measures at the Cape was probably first underlined in 1855 during the aftermath of the Namaqualand copper-mining crash. The boom of that same year had seen a mining company mania, with rich and poor from all walks of life (traders and merchants included) pooling their resources in the hopes of winning overnight riches. Numerous small companies were floated and vehicles of all descriptions, packed with passengers, set out from Cape Town for the Namaqualand mines. (150)

In the subsequent crash several important and reputable merchants, as well as many private citizens, were declared insolvent. Among the merchants were Maximilian Thalwitzer and Home, Eager & Co., while others, such as Chiappini & Co., S. Bushell and Broadway and Herman were earlier mentioned as being under threat of declaration of insolvency. (151) J.B. Ebdon and the publisher Saul Solomon, were involved in court cases (152), while a number of other trials were conducted in the Supreme Court and Resident Magistrate's Court. (153) In 1858 E.B. Watermeyer published a collection of Supreme Court case rulings, which included some relating to the company

issue and which was prominently advertised in the columns of the Advertiser. (154) Indeed, one of the mining company shareholders involved in such a Supreme Court case, Saul Solomon, as MLA for Cape Town, piloted through the Assembly the company legislation of 1861 based on the English pattern. (155)

The need for limited liability legislation at the Cape was expressed in correspondence in 1858. The Cape Town Railway & Dock Company, floated and registered in Britain in 1855, indicated in a letter to the Advertiser's editor that doubts were being expressed as to whether its Cape shareholders, like its English ones, were protected in terms of limited liability. The uncertainty was due to the company's Act of incorporation being British. No similar protection in law existed locally. Though the Attorney-General's opinion was reassuring, undoubtedly, the need to fill the gap in local legislation was underlined by such fears. (156)

Promoter of the legislation in the Assembly was Saul Solomon. One of the reasons he gave for introducing the Bill was that companies requesting incorporation with limited liability had to go before the British parliament. The result was "that the delay in the establishment of the company was frequently so great that proposed companies dropped through and nothing came of them." With the added security of limited liability, the editor of the Argus hoped to encourage overseas shareholders to risk their capital in the Cape's poorly developed economy. He declared rather optimistically: "In this country men make money and connections, they leave the latter behind them and go home to spend the former; but great numbers would leave portions of their wealth to fructify if the risk they ran attached only to that wealth. In like manner, capitalists at home would invest here if a limit could be set to their liability." (157) Here the Argus was echoing a common contemporary complaint. It has been shown that against a background of scarce money and recession, the need to attract foreign capital was becoming a frequent lament in contemporary news-

papers. (158) The Cape's company legislation of 1861 was instrumental in the development of South African company law. It is to this early law that the creation of the term 'Ltd' (Limited) in company names is owed. (159)

4.6 Fairbairn's change of role as Swellendam MLA

Developments in the first Cape parliament with regard to a rapprochement between commerce and agriculture were reflected in the parliamentary and political career of John Fairbairn. The logical outcome of Fairbairn's standpoint on reconciliation and unification of the colonial bourgeoisie partially mirrored, but was also strengthened by the circumstances of a growing alliance between commerce and agriculture outlined above. Together these contributed to an alteration in Fairbairn's relationships. By virtue of his identification with the Ultras and his leadership later of the Popular Party in the years preceding and during the first parliament, Fairbairn clearly gained wide support in the Western Cape, including the rural, traditionally Dutch/Afrikaans areas. (160) This process found a final form of expression in his election in 1854 as MLA for Swellendam. In the course of linking his fortunes to such an alliance of town/country and English/Dutch, Fairbairn further alienated the support of the English conservatives, as well as making enemies of a group of previous supporters, viz. members of the merchant elite in Cape Town. (161) Having stepped into the arena of 'popular' politics, he alienated the support of those groups which had campaigned for a high franchise. Murray talks of the falling off of his support at this time (162) but, like the commercial bourgeoisie itself, Fairbairn had in fact gained a new ally in Dutch/Afrikaans farming interests.

The year 1854, the cut-off point of Fairbairn's biography, and only ten years before his death, was to prove an important juncture in his life and political career, when a modification of his social and political relationships became clear. Despite some 30 years of political, constitutional and economic struggle centred in Cape Town, Fairbairn now aged 60, was

elected a representative, not of his metropolitan home seat of Cape Town, but of the rural constituency of Swellendam. While the seat, admittedly, contained a number of Anglicised Dutch/Afrikaans commercial farmers, including the commercial and agricultural empire of the Barry family, Swellendam was not a constituency comparable to Cape Town where enlightened urban interests dominated. (163)

The immediate events surrounding Fairbairn's representation of Swellendam and not Cape Town, lay in the latter constituency's relative tardiness in approaching him. While the Cape Town committee had decided to wait for the results of the Upper House (Legislative Council) elections, which preceded those of the Lower House (Assembly), before approaching Fairbairn, Swellendam requisitioned him directly. Fairbairn, in expressing gratitude for Swellendam's prompt approach, in fact cautioned that the wisest procedure would have been to await the results of the Upper House elections, in order for possibly defeated candidates, such as Barry and Reitz, to then be nominated for the Lower House. (164) Yet, when a Cape Town committee, on learning of the Swellendam requisition, approached Fairbairn he refused them, pointing out his duty towards Swellendam. Acknowledging the cause for Cape Town's delay, Fairbairn explained, perhaps in a somewhat peeved and self-righteous tone, his reason for refusing: "But, naturally, anxious to secure the services of persons known to them in their public character [was Cape Town not anxious enough?], some of the country constituencies presented requisitions at an earlier date, and, amongst the rest, a number of the most respectable Electors in the great and important Division of Swellendam addressed one to myself, which, being the first, and coming from such a quarter, I thought it my duty, as it was my pride and pleasure, to accept." (165)

By agreeing to stand for a rural constituency whose electors were predominantly farmers and who would to an extent expect him to represent their specific interests, Fairbairn, cast still in the mould of 'popular'

leader, was forced into a new and awkward situation. He had to balance both commercial and agricultural interests, in a manner distinct from his earlier role and was no longer able to feature as so pure a spokesman for commerce, as in the pre-Popular Party era. (166)

It is important, however, to emphasize that Fairbairn, while promoting the general and historic requirements of commerce (as distinct from the land - including free trade, slave emancipation and company formation), had never shown himself representative of the narrow, selfish interests of the commercial bourgeoisie, particularly not those of the merchant elite. (167)

Thus in 1826, when wine farmers were considering independent action from the wine merchants by themselves taking on the export of wine, Fairbairn had supported the farmers, saying: "The objects we have in view are the interests of the Colony at large, not that of any class to the exclusion of others." (168) Again, a few years later, while at the same time as praising the public spirit of the Commercial Exchange, their efforts in the past having been guided by the most liberal sentiments towards the Colony at large, Fairbairn cautioned that the Exchange represented only one class of the inhabitants and, in the absence of a representative form of government, they could constitute some kind of "pernicious" danger - "... who does not see in so small a body of Merchants & Dealers, a weapon and a shield, under which a skilful Governor might defy the disjointed and feeble remonstrances of the whole population. (169)

4.6.1 Swellendam's pressure on Fairbairn re the usury question

In 1839 Fairbairn had featured as a leading spokesman in the fight against restrictions imposed on the rate of interest on bills of exchange and promissory notes, known as the Usury 'Law'. (170) He had said in an editorial of that year: "As the rate of profit in every country is constantly varying, nothing can be more unjust than to fix the rate of Interest by an unvarying law. It deprives the citizen who possesses money, of his share in the general prosperity. It treats the man, who by industry

and economy has accumulated capital, as if he were an alien and an enemy or a suspected and dangerous member of the state." (171) Ebdon, a member of the Legislative Council and promoter of the legislation to lift the restrictions on the interest rate, described Fairbairn's achievement during that period: "The talented editor has laid aside all fears and exhausted the subject." (172)

During 1839 Fairbairn had echoed the call for a transitional period of a few years before implementing the lifting of the interest restrictions but there was no cause for any further delay when, in the late 1850s, the matter still had not been resolved and the very advent of imperial bank capital was being postponed because of the interest restrictions. (173) Yet, when the topic came up for discussion in the Cape parliament during 1856, a hint of the sort of new influence on Fairbairn, as MLA for Swellendam, was already apparent. In April of that year, during debates in the House of Assembly, he remarked on the "strong feeling in some quarters against the repeal of what is called the Usury law", including the district he represented. (174)

In 1858 during another attempt to solve the matter in Parliament, he continued to reflect the pressure of his rural constituency. When Saul Solomon, MLA for Cape Town and keen supporter of such a Bill in the new parliament, moved the second reading of the Usury Bill Fairbairn agreed there should be free trade in money, but, he cautioned: "... a great portion of the country people take a different view of the matter, I have occasion to know, for a great body of my constituency, at Swellendam, I am given to understand, say, 'Don't touch that particular thing at present; we don't altogether understand it, and we don't want any alteration at present.'" Fairbairn therefore expressed the hope that the Bill would be dropped during that session and taken up by the next parliament, as he wished to study the fears and wishes of the country people. (175) In May of that year he made an editorial plea for "consideration of past errors",

"respect for opinions which our laws have fostered", and that a clause be added to the Bill so that the Act should take effect only two years after its promulgation. (176)

Various Usury Bills on the subject therefore continued to meet with rural opposition in the new parliament, a reflection of the power wielded by agricultural interests in the Assembly and it was only a Supreme Court ruling, outside of parliament, on the subject in 1860 which finally settled the matter in favour of commercial interests. (177) However, the reversal in Fairbairn's position was not absolute and in 1859 when the usury question again came up before the Assembly and the motion was once more defeated, Fairbairn introduced a second motion for a modified form of the Bill in the hope of getting partial relief. The lifting of the interest rate restrictions, he admitted, was highly desired by merchants. (178)

4.6.2 Fairbairn's conflict with Saul Solomon and Cape liberalism

Did this modification of position on the usury question substantiate the accusation made against Fairbairn by Saul Solomon during a heated debate in the House of Assembly in 1858? "I am happy to say", declared Saul Solomon on that occasion, "that that hon. gentleman [Fairbairn] has lived sufficiently long to recant every opinion and every principle he has ever held." (179) Had Fairbairn repudiated his past convictions and, if so, of what relevance was this to Fairbairn's shift of alignment after 1848 and to the conflicting interests of commerce and agriculture?

The events which lay behind Solomon's remark had been unfolding in the Orange Free State where the Boer President J.N. Boshof had invaded and occupied Sotho lands. Solomon's objections to Fairbairn's conduct were two-fold. In the first instance, two years earlier, when this land dispute was already revealed and Solomon had introduced a motion calling on the Governor to mediate, Fairbairn had proved to be his chief opponent. Fair-

bairn now had changed his mind, yet was still against the House taking active responsibility in firmly recommending that the Governor mediate in the dispute. Moshesh (Mosheshwe), Sotho chief and the faithful ally of the British government, was refused the supply of gunpowder by Britain and was left vulnerable. "Thus", declared Solomon, "we show our friendly disposition towards the natives of this continent, who have never done us any harm; and, in fact, have done nothing, except that they have a black face, and a country which we want to possess." He gave further indication of his differences with Fairbairn in his reference to a statement made earlier by Fairbairn, to the effect that the sea coast of a country was the natural inheritance of a commercial people. He exposed the inherent danger of such an argument. If for instance the Boers of the Free State were similarly to argue that the agricultural interior was the natural inheritance of an agricultural people where, enquired Saul Solomon pertinently, were the natives to go? (180) At this time too Fairbairn had come into conflict with Saul Solomon over the so-called Krela expedition, with Fairbairn opposing the suggestion of censure against the Governor, Sir George Grey, which was evident in Solomon's motion. (181)

The conflict between Fairbairn and Solomon leads to the relatively unexplored question of Fairbairn's liberalism and the related issue of Cape liberalism. It has been stated that Cape liberalism is best known for the franchise it helped create. According to Trapido, it is viewed by apologists as a continuum with all inconsistencies ironed out, while its critics, in laying bare its characteristic inconsistencies and contradictions, have ignored the social relationships that underlie it. (182)

Trapido has described a great and small tradition of liberalism, largely though not exclusively evident at the level of parliamentary politics. He has located the great tradition amongst businessmen, missionaries, lawyers, newspapermen and administrators. Its constituency base was not an overt class-based alliance of merchant and peasant, as developed later in the case of the small tradition in the Eastern Province. The forces that

underlay the great tradition included, therefore, the influence of humanitarianism, commerce, enlightened intellectuals (lawyers and editors, etc.), British ideas and methods (i.e. incorporation and adaptation from above) on colonial political perceptions, and the practical demands of parliamentary alliances at different junctures, which enabled the further propagation of liberal policies. However, that the two were interdependent and sometimes reflections of one another, is also acknowledged. (183)

Bundy's work on the rise and fall of the South African peasantry has developed an analysis of the class basis of a liberal tradition in the Eastern Cape, situated amongst merchants involved in trade with the burgeoning African peasantry during the period 1870-1890. Their opposition to peasant expropriation was a material reflection of both their supply of consumer goods to, and their purchase of agricultural surpluses from the peasantry. (184) The expansion of the Eastern Cape peasantry was in contrast to the impoverishment of whatever remained of a 'coloured' peasantry in the Western Cape, as mission stations in the second half of the 19th century became increasingly unable to support any form of propertied peasants. (185) This has led Trapido to state:

The advanced stage of proletarianization, with the very meagre surpluses produced, meant in addition, that not only was there no group of merchants who had an interest in the survival of the peasants, but that local traders were contributing to their impoverishment. In addition to economic conditions being unfavourable to the creation of a liberal alliance, there was also the crucial absence of any group committed to a liberal ideology. Rather, the dominant, mainly Afrikaner, groups in the western part of the Colony were committed to a defensive reaction to liberalism in all forms... In this context, therefore, Afrikaner notables led a movement for the revival and creation of those ties which ultimately led to the establishment of Afrikaner nationalist organisations. (186)

Remnants of parliamentary liberalism in the Western Cape were therefore limited to the rejection of white farmers' candidates, in favour of missionary-favoured candidates, merchants or sometimes carpetbaggers from Cape Town, in those seats where missionary stations still provided substantial numbers of 'coloured' voters. (187) "Liberalism", Trapido concludes, "failed to make a bridgehead in the Cape outside of the eastern

districts of the colony and the port towns and Kimberley." (188)

Yet, despite the early disappearance of a peasantry in the Western Province, it could be argued that it was around the reverse side of the coin of a peasantry, viz. the issue of master and servant (and harsh proletarianization), that a liberal-merchant nexus, opposed to agriculture, could reveal itself - if it emerged at all. In grouping men such as Fairbairn and Saul Solomon (the MLA for Cape Town) and several others as part of the great tradition, the important regional contribution to liberal politics by the Western Cape, particularly its capital city, Cape Town, remains somewhat disguised. (189) The port of Cape Town proved an unusually important bridgehead for liberalism. This was clearly evident in the intervention by her commercial interests, including Fairbairn and Solomon, in struggles described in the following pages - however unsuccessful they ultimately proved.

4.6.3 Fairbairn and the Master and Servant Law

Fairbairn had long campaigned against what he considered superfluous legislation in the sphere of the Master and Servant Law and undue interference in the supply of labour. Throughout the period, in response to blood-curdling demands by farmers for increased control of rural workers, Fairbairn had vainly maintained that improvements would eventually come about if the natural laws of supply and demand were allowed to take their course. (190)

At the time the draft Master and Servant Bill came before the Cape parliament in 1855 - it was not passed as an Act till 1856 - Fairbairn took advantage of the opportunity to reflect on the existing state of the law, in an editorial of May 1855. He criticized the legislation in force as consisting of too many chapters and sections. It attempted too much and thus gave no satisfaction by extending its terms beyond the relationship of master and servant into spheres governing fellow-subjects. He considered

that the source of complaints against the law lay in farmers who resided at great distances from magistrates; redress against servants was consequently expensive and troublesome. The problem he said was the nature of the countryside and not the master and servant legislation. Converting justices of peace to magistrates for this purpose was no solution either, he argued rather glibly, because masters too then would be in the hands of ignorant justices of peace. Having sketched his recommendations for a simplified Bill, he concluded by alluding to what was probably the crux of the problem, viz. the silent resistance of peasants and farm workers to further proletarianization: "And when the circumstances of the Colony render service necessary or essential to subsistence, severe punishments will not be required. The Laws of Nature will provide a remedy for all remediable evils under this head. At present by the law of circumstances there is, and will for sometime be, much imperfection on all sides." (191)

Objections by Fairbairn and others to the draft Master and Servant Bill were still being raised in the form of various amendments just before the Bill was sent to the Council, but these apparently were finally put aside in an effort to avoid further delays. The feeling was that any more argument would prove futile. The opponents of the measure declared that the Bill anyway would have no practical success. Fairbairn, for instance, was till the last moment protesting at the extent of magisterial jurisdiction and also the poor state of the prisons to house offenders. But farmers were determined to have the Bill passed, no opposition was to be borne - and they were delighted with its eventual success. (192)

In 1859 J.C. Silberbauer, a Cape Town share broker, general agent, bank director and member for Caledon (an area which included the Genadendal Mission), brought up the matter of the 1856 Master and Servant Law in the Assembly. (193) He asked for returns to show the operation of the law, believing it "to be very oppressive towards a very large class of our fellow-subjects, namely the servants of this colony." It was his intention

later to introduce a Bill to alleviate the situation. Silberbauer objected in particular to oral contracts being binding for one year and less and punishment for certain offences being hard labour, and not merely fines, which was unfair, he said, to the many hundreds of respectable servants. (194)

Beaufort's J.C. Molteno, who showed himself to be an arch-representative of the landed interests, disputed Silberbauer's objections. Molteno claimed that Silberbauer had been bottling up this motion for some time and that his objections were already known in advance, as he had been airing them to certain classes, i.e. the people of Genadendal. Molteno asserted: "I have had an opportunity of seeing the working of this law; and I must say that it has been most satisfactory." (195)

While there is no report of a contribution by Fairbairn on the occasion, Saul Solomon intervened to second Silberbauer's motion, disputing the statement by the MLA for Worcester, Munnik, that the previous House had passed the Bill with equal attention to both master and servant. Solomon remarked: "... my own impression at that time was that this was a most oppressive law towards the servant. My impression is the same still; the only neutralizing element in the matter is that the law happens to be so stringent that it cannot be acted upon, because if the masters attempted to act upon it, they would soon have no servants." Solomon described his indignation at one particular clause and how, having expressed his objections in the House at that time, they were summarily dismissed; he was told that not being a farmer, he had no appreciation of their difficulties. (196)

Objections to the Master and Servant Law by men such as Silberbauer, Solomon and to some extent, Fairbairn, therefore serve to highlight the source of liberal opposition as a grouping of Cape Town commercial interests. Such a group, by virtue of its position in exchange and not pro-

duction, had little active interest in the harsh proletarianization demanded by agriculture, though the corollary that commerce in general proved a constant defender of 'free' labour did not follow. (197) Silberbauer's commercial interests are clear and both Solomon and Fairbairn shared curiously similar occupations. They were both newspaper owners and editors (the Argus and Advertiser respectively) with commercial connections - Solomon was the owner of a big steam printing and publishing firm and both were chairmen/directors of the Mutual. (198) Despite the efforts of such men, however, liberal opposition, by Saul Solomon's own admission, generally proved weak and unsuccessful.

4.6.4 Fairbairn and the immigrant Xhosa

Fairbairn remained strongly opposed to the motion introduced in the House of Assembly during 1854 that mission station lands be subdivided (a measure to force potential farm labourers into the market), saying firmly: "I am sure that if hon. members believed there was the slightest chance of the motion being carried, a number of them would have been already on their legs addressing you". (199) But his statements regarding the immigrant Xhosa rang a different note.

In 1857 a battery of draft legislation was submitted by the Governor to parliament. This was aimed at controlling the recent influx into the colony of Xhosa tribespeople as a result of the cattle-killing. (200) Fairbairn at this time placed himself squarely behind Sir George Grey's general aims of expansionism and incorporation, the replacement of chiefs' power by magistrates and the integration of black and white settlement. (201) He remarked approvingly in an editorial of April 1857: "Sir George Grey quickly discovered that the root and spring of innumerable evils in Caffraria, and what rendered them dangerous and formidable to the Colony, lay in the relation which subsisted between the Chiefs and the people, and that the power and influence of the Chief, for mischief, rested on their position as absolute proprietors of every member of their tribes, and sole

administrators of justice... The grand characteristic of Sir George Grey's policy is unity of design." (202)

The differing positions of Fairbairn, Solomon and Molteno, regarding the terms of the Kafir Employment Bill, are once more instructive in revealing the relationship between agricultural and commercial interests in the new parliament. During debates in the House of Assembly, Molteno called for long, compulsory labour contracts for the immigrant Xhosa. He protested that the Bill's chief object was "to assist starving Kafirs" - what, he asked, about the needs of the country? He predicted the results as a "disgorging of Kafirland" with "roaming Kafirs" everywhere, if strict contracts were not enforced. While Saul Solomon vehemently opposed this unjust imposition on starving men - he was in favour of allowing the Xhosa to make contracts for as long as they wanted, with the maximum of five years - Fairbairn by contrast came to the support of Molteno and other country MPs in voicing objections to the terms of the Bill. (203)

After the Bill, referred to the Legislative Council, was returned to the Assembly with amendments introduced in favour of less stringent periods of contract, Fairbairn's remarks during the further debate were reported: "He [Fairbairn] objected to the introduction of large numbers of people into the colony. They would form a savage element in the population, and he thought that the armed savage was even less to be dreaded than the domestic savage." He agreed with Molteno that there would be no proper control. (204) In an editorial of the same month, Fairbairn elaborated on his parliamentary viewpoint. Discussing the difficulty of the passage of the Bill, as a result of the conflicting viewpoints between the two Houses, Fairbairn described the immigrant Xhosa as "despisers of labor"; their "manners are brutish, their passions violent and irrepressible". He said: "For the last hundred years or more, the European has been steadily civilizing this portion of Southern Africa, in ways sometimes right, sometimes questionable, or wrong, but the good cause has prevailed over all

obstacles, and in spite of all mistakes... It is contrary to all principle, to all precedent, to all experience to attempt to civilize a savage continent by directing the flood of barbarism down upon the single spot where a feeble civilization has but recently taken root." (205) The House of Assembly subsequently referred the Bill back to the Legislative Council in its original form. The Council then agreed to some of the amendments (though not all), in an attempt to satisfy the Lower House. Throughout the passage of the Bill, it was vainly and valiantly opposed by a handful of Assembly men, in particular Saul Solomon. (206)

The Zuid-Afrikaan meanwhile continued to reflect the interests of farmers, keeping up a barrage of editorial condemnation against the threatend invasion, ranting that "every mountain and kloof [would be] infested with prowling savages". (207) It warned against the constitutional dangers of granting land to such men: "If you allow such people to become proprietors, you cannot withhold from them that measure of political power which belongs to the elective franchise..." (208)

In this way commercial and agricultural interests both in and outside parliament ranged themselves around the issue of the accelerated proletarianization of the African people. Greenberg has stated that: "Racial domination [in South Africa] is rooted in the precapitalist countryside. Long before there were businessmen demanding controls on subordinate labor or trade unions constructing racial job barriers, there were dominant landowners and farmers." (209) This may be regarded as something of an overstatement. Racial discrimination as evolved by mining capital, for instance, proved a decisive factor in the shaping and institutionalization of racism. Yet, it underlines the key role played by farmers in entrenching and widening the exploitation of the subject peoples of South Africa, and in keeping alive the tradition of Cape racial discrimination.

It has been shown that commerce in Cape Town, in the shape of Saul Solomon and others, proved too weak to mount any substantial resistance to the Kafir Employment Bill and, in Fairbairn's case, there appeared a new element of fear in 1857 - absent entirely from a Saul Solomon. Fairbairn in a way admitted to his differing attitude, stating that "The Caffers come to conquerors whom they naturally hate." In the case of the Mfengu, their admission had been accompanied by submission. (210) The Xhosa this time were "foreigners and barbarians who cannot forget that they were till recently, an independent people, subject to little control..." (211)

4.7 Fairbairn's liberalism over the whole period

Looking at Fairbairn's position on the question of accelerated proletarianization, described above, had he fundamentally changed his position since his early crusading days during the 1820s and the 1830s? Had he lived long enough to recant every principle he had once held, as Solomon accused him of?

Fairbairn's early editorials frequently concerned his fight, together with the London Missionary Society and in opposition to both Eastern Province opinion and Western Cape farmers, for protection of the mission inhabitants in the Kat River settlement, Hankey, Bethelsdorp and elsewhere. His editorials also gave expression to his campaign for a fairer and systematic treaty system with the chiefs in the Eastern Cape, at times even advocating the return of lands unjustly expropriated. (212) Fairbairn's actions then had elicited extreme anger, resulting in libel suits and a boycott of his newspaper. The height of his unpopularity in the Western Cape was during his defence of the cause of slave emancipation. Yet, despite these early actions and campaigns and the liberal reputation Fairbairn gained as a result, there was probably no fundamental reversal of his position regarding the indigenous people of South Africa, as Solomon's accusation seemed to imply.

Throughout his life, the premise on which he based his attitude towards the African people was that of the unquestionable rights and privileges of civilization over savagery. Many a justification and refuge for expansionism, expropriation and destruction were found precisely in this attitude. In 1841 he spoke of the rights of the Cape colonists as Christians and Europeans to representative government, as opposed, for example, to the people of India, who were heathens. "In this Colony, we have been duly prepared for the exercise and enjoyment of this form of Liberty. Not only as Europeans, but as Christians, the Idea of Representation is hereditary amongst us." (213)

In an editorial of 1844 he summarized with approval the recent writings of a Mr Macqueen in Blackwood's Magazine, who had reasoned that it was from temperate and healthy bases that civilization spread towards the heart of the central regions of Africa. Discussing this with regard to Natal, Fairbairn remarked, "British and Christian laws, British capital, and British enterprize, would speedily penetrate with life-giving power, would exhibit one of the greatest triumphs achieved over the evil genius of Africa."

(214) Fairbairn, in fact, entertained great concern for the weakness of so-called civilization at the Cape to survive "the evil genius of Africa".

(215) In 1841 he remarked: "The population of new colonies require constant supporters of population from abroad to keep it from sinking.

Savagery there is constantly dragging the civilized man back towards the natural state of the savage." (216) Ten years later he stated in the same vein: "The strength of the Colony is on its coast, and some hundred, or say two hundred miles from it;- its coast and bays, that is, its sea line, is the basis of its power. At every step northwards you become weaker, and the repelling genius of Africa becomes stronger." (217)

Yet, in presenting this basic assertion of the rights of so-called civilization, Fairbairn frequently balanced this with appeals for humanity and justice. In his review of the year 1846, he acknowledged the heavy losses

and ruination recently suffered by the frontier farmers but cautioned that cruelty was a bad policy, even in a system of military occupation; 'savages' should not be met with their own weapons; and "the impatient and retributive ferocity of an exasperated army is not a fitting instrument to conciliate the affections of the natives, or consolidate the settlements of the strangers." (218) With the expropriation of Namaqualand as a result of the mineral discoveries there, his balancing act was again put to the test. Reporting on the Surveyor-General's (Bell) investigations of Namaqualand, Fairbairn said of its people:

1855 Their habits are consequently unsettled, their numbers small, and their civilization low. They are still men, notwithstanding, and require as such humane and just treatment by the Government... The abstract question of right has never been settled by argument. It has often been settled by time, that great resolver of knotty points between the weak and the strong. This country will be ransacked by European enterprise [author's emphasis - surely a contradiction in terms], and the wandering native must submit and accommodate himself to new and higher modes of life, or perish. We believe his extermination is not inevitable, and that just and humane Government has in its power, not only to save him, but to ameliorate his condition, and eventually raise him to a level with the civilized natives in the older districts of the Colony. (219)

In 1852, discussing the Xhosa chief, Sarili, Fairbairn called for "the complete and utter subjugation" of the black man, while in the same breath advising that: "It is not the work or the intention of the white to exterminate the black man, or even to tyrannize over him or reduce him to slavery; more enlightened views now prevail. There is room enough in the country for all, and the arts of civilized life will speedily find subsistence and employment equally beneficially for both." And then he immediately continued: "But there must be no question left as to which of them is the strongest - the barbarism or the civilized. This war must settle that point without the chance of it being revived." Calling not for revenge but justice, Fairbairn then declared: "On the contrary lasting tranquility can only be secured by equitable rules and a mild though firm form of administration. No people, civilized or savage, will long remain quiet under pain, hunger, or a dread of encroachment." (220)

Clearly, a common thread runs through Fairbairn's stated attitudes towards

the indigenous people of South Africa; no fundamental reversal of attitude emerges in his later life in this respect - but a balancing of force and justice, based on an inherent belief in the rights of the 'civilized' European.

Students of liberalism at the Cape cannot fail to point to the distortions, contradictions and inconsistencies of principle expressed by its leading spokesmen. And in regard to such characteristically 'liberal' attitudes, outlined by researchers, Fairbairn's attitudes read like a manual. These are evident in the jarring, paternalistic mixture of racism and justice, contained in the conviction of the ultimate goodness, rights and privileges of the white ruling class - with its civilization based on the British model, its Christianity, education, capital, commerce and agriculture, which entitled it to rule over the people of Africa. (221) Liberalism involved a struggle for civil rights, the rule of law, the independence of the courts, freedom of speech, religion and the press. But once the liberal franchise had been granted, it never aimed at the further expansion and reform of democratic institutions; at the most only at the maintenance of existing institutions. (222) In such aspects as outlined above, Fairbairn's role over the period emerges as a perfect and typical example.

The precise combination of historical conditions, personal ability, independence of spirit and age, which led to the conflicting standpoints of Solomon and Fairbairn, is not important for this study. Certain points do, however, emerge from their disagreement during the early years of the Cape parliament and from the conflict between them and the Moltenos of South Africa, which are relevant to commerce's position at the Cape and to Fairbairn's role as representative of commerce.

By turning his back on the more progressive, urban seat of Cape Town and agreeing to represent the relatively unprogressive rural Swellendam, Fair-

bairn had in this regard beaten a noticeable retreat, evident in the outcome of the usury question. Saul Solomon, by contrast, was able to rely heavily on the progressive nature of his constituency of Cape Town when, in his nomination speech of 1854 he spoke of his commitment to his principles. He would not sacrifice even one to secure the votes of Cape Town, he declared:

But so much as this I can say, and do say;- if you want a man to advocate the interests of Cape Town to the exclusion of those of other portions of the colony, - then don't vote for me: - if you want a man who will confine his sympathies to the Western Province, and who will deny that the Eastern Province has claims to be adjusted, or inconveniences to be remedied, - then don't vote for me (cheers): - if you want a man who will advocate a policy of extermination towards the natives of this continent, and who will ignore their claim to be treated with justice, because they happen to have black skins, and to be called barbarians; then don't vote for me, (loud cheering): - if you want a man who will go in to support of the government when he believes it to be wrong... then don't vote for me... (223)

The typically contradictory and 'illiberal' nature of Fairbairn's liberalism towards the indigenous people of South Africa reflects the limited potential for its development in a colonial society where demands for subjugated agricultural labour from early on moulded racist attitudes. The positions of the group, Fairbairn, Solomon and Silberbauer, on the Usury 'Law' and the Master and Servant Law, partly reflect commerce's objective ability, because of its position in exchange, for some independence of action from production (agriculture), its potential to undermine and menace the dominant class in the sphere of production (224) - what Trapido and Bundy have described in the Eastern province as a merchant-liberal nexus. (225) The group's defeat over these same issues reflects the effective opposition mounted by landowning interests during the first two parliaments, as well as commerce's ability to menace but not to adopt any fundamentally independent position in relation to the farmers, the class that organized production and the exploitation of labour. (226) It has been shown that Fairbairn's alliance with the Popular Party and afterwards his representation of Swellendam, were partly the result of his own early ambitions for a united white ruling class (Dutch and English/farming and commerce), as well as the consequence of the economic

and political climate prevailing. Fairbairn's course of action may also, however, reflect commerce's own limited potential for adopting any fundamentally independent position in relation to farming interests. Taking into account the fact that he was not strictly a man of commerce - he was not a trader but primarily a newspaper owner and editor - his ability to take up the cause of the country could, nevertheless, be indicative of the dependent nature of merchant capital.

NOTES

1. Cape Argus, 26 Mar. 1921.
2. SACA, 17 Mar. 1824. Fairbairn and Greig's partnership of the Advertiser began in Aug. 1825, with Fairbairn assuming sole editorial responsibility - Botha, John Fairbairn, 31-32.
3. SACA, 2 Jan. 1841.
4. Ibid., 20 Sept. 1848.
5. Ibid., 25 May 1850.
6. H.J. Mandelbrote, "Constitutional development, 1834-1858", in E. Walker (ed), Cambridge History of the British Empire, vol. VIII, 367; R. Kilpin, Romance of a Colonial Parliament (London 1930), 55; CCGHB, 1840-1853; Kilpin, Romance of a Colonial Parliament, 123-126; J.J. Breitenbach, "The development of the secretaryship to the Government at the Cape of Good Hope under John Montagu 1843-1852", Archives Year Book for South African History, 1959 (II), 250, note 2.
7. SACA, 8 Feb. and 19 Apr. 1834; see also S. Trapido, "White conflict and non-white participation in the politics of the Cape of Good Hope 1853-1910" (PhD, University of London, 1970), 17; S. Trapido, "The origins of the Cape franchise qualifications of 1853", Journal of African History, vol. V, no. 1, 1964, 41.
8. Trapido, "White conflict and non-white participation"; Kirk, "Self-government and self-defence", ch. VII-XII; Le Cordeur, The Politics of Eastern Cape Separatism, ch. 7; Warren, "Merchants, municipal commissioners...", ch. VI.
9. Botha, John Fairbairn, ch. VII, esp. 164-166.
10. Ibid., ch. VII, esp. 164-169; S. Trapido, "From paternalism to liberalism: the Cape Colony 1820-1834", Unpub. discussion paper, Postgraduate Seminar, University of London, Institute of Commonwealth Studies, Nov. [1988], 16-17.
11. SACA, 30 June, 1841.
12. Warren, "Merchants, municipal commissioners...", 199, 203 210-224.
13. See below for further discussion, 148-149.
14. A.F. Hattersley, The Convict Crisis and the Growth of Unity: Resistance to Transportation in South Africa and Australia 1848-1853 (Pietermaritzburg 1965); Warren, "Merchants, municipal commissioners...", ch. VI; Kirk, "Self-government and self-defence", ch. VII.
15. Warren, "Merchants, municipal commissioners...", 201-209. In Australia there had also been contemporary organized resistance to transportation by groups in some regions. But it appears that the demand for labour was one reason why the opposition was successfully counteracted until 1867, when transportation was abolished - see Hattersley, The Convict Crisis and the Growth of Unity, 127-135 and A. Grenfell Price, "Experiments in colonisation", in J. Holland Rose, A.P. Newton and E.A. Benians (eds), Cambridge History of the British Empire, vol. VII, pt. 1, Australia (Cambridge 1933), 230.
16. SACA, 27 June and 4 July 1849.
17. Ibid., 30 June and 4 July 1849.

18. Kilpin, Romance of a Colonial Parliament, 71; Botha, John Fairbairn, esp. 200, 205, 215 and 219.
19. See below, 162, note 123.
20. ZA, 13 Aug. 1849.
21. There was also 'coloured' opposition to the landing of convicts at the Cape, mainly by missionary inhabitants and churchgoers - see SACA, 19 May 1849 for report of a meeting by a Paarl congregation and also a memorial from Malay priests; SACA, 16 June 1849 for a Kat River settlement meeting and SACA, 11 July 1849 for a letter by Adam Kok to the Governor.
22. Trapido, "The origins of the Cape franchise qualifications", 45; Kirk, "Self-government and self-defence", 319; Warren, "Merchants, municipal commissioners...", 210-211.
23. Botha, John Fairbairn, 276-277; see below, 139-140, 145.
24. SACA, 20 Feb. 1850.
25. Ibid., 2 Mar. 1850.
26. See above, 134.
27. Trapido, "White conflict and non-white participation", 27-28; Trapido, "The origins of the Cape franchise qualifications", 38, 47, 49; Botha, John Fairbairn, 86-87, 172-173.
28. ZA, 21 Feb. 1850.
29. Ibid., 18 Mar. 1850.
30. Ibid., 28 Mar. 1850.
31. Botha, John Fairbairn, 240-241; Warren, "Merchants, municipal commissioners...", 217-218; Breitenbach, "The development of the secretaryship to the Government", 256-258.
32. Botha, John Fairbairn, 241-260, esp. 246; Kirk, "Self-government and self-defence", 344.
33. ZA, 7 Oct. 1850.
34. Ibid., 4 Nov. 1850.
35. In fact the Cape Town municipality had formally requested the Popular members to draft a constitution. See Warren, "Merchants, municipal commissioners", 218, 222; A.H. Duminy, "The role of Sir Andries Stockenström in Cape politics (1848-1856)", Archives Year Book for South African History, 1960 (II), 113-117; Botha, John Fairbairn, 258-277; Kilpin, Romance of a Colonial Parliament, 76-80.
36. ZA, 28 Oct. 1850.
37. Kirk, "Self-government and self-defence", 383-403.
38. SACA, 4 May 1853. For details of 1848 proposals and the influence of Porter, see Trapido, "The origins of the Cape franchise qualifications", 38, 49-50. For details of the Popular Party's draft and the importance of the 1850 legislative proceedings, see Botha, John Fairbairn, 258, 286.
39. Botha, John Fairbairn, 301.
40. R.W. Murray, South African Reminiscences (Cape Town 1894), 13.
41. Ibid., 3-4; Cape Argus, 26 Mar. 1921, article by R. Kilpin, "Pioneers of Parliament in South Africa"; Botha, John Fairbairn, 294.
42. The definition used in this study follows Marx, Capital, vol. 3, 379 - "Merchant's or trading capital is divided into two forms or sub-species, commercial capital and money-dealing capital..." Commercial capital is thus identified purely in terms of commodity-dealing capital. For Kirk's discussion of commercial middle class, see "Self-government and self-defence", 310-312 and Warren, "Merchants, municipal commissioners...", 45-46; for further discussion see above, 5-7.
43. Purkis, "Politics, capital and labour of railway building", 14-15.
44. Such an analysis amounts to nothing more than some variation of a theory of internal colonialism, in which colonial merchants are viewed as an external colonizing group, exploiting all classes, including the farmers. This analysis I believe underlies Dubow's examination of the Graaff-Reinet merchants. The argument there constructed led the author to blame the merchants of the area for the financial crisis of the early 1860s - see Dubow, Land, Labour and Merchant Capital, 20-25.

45. Marx, Capital, vol. 3, 448.
46. G. Kay, Development and Underdevelopment: a Marxist analysis (London 1975), 93.
47. See above, ch. 2 and 3, passim, for growth of local commerce and companies.
48. Warren, "Merchants, municipal commissioners...", 208-210, esp. 209, note 84.
49. Le Cordeur, The Politics of Eastern Cape Separatism, 223-236.
50. Ibid., 227; Trapido, "White conflict and non-white participation", 31-37; Trapido, "The origins of the Cape franchise qualifications", 49-50.
51. Warren, "Merchants, municipal commissioners...", 218.
52. Ibid., 220; Cape Monitor, 1 Nov. 1850; British Parliamentary Papers, 1362, 1850-1851, "Papers re proposed representative Assembly", 137.
53. Breitenbach, "The development of the secretaryship to the Government", 263-264; Duminy, "The role of Sir Andries Stockenström", 114; Le Cordeur, The Politics of Eastern Cape Separatism, 233-236; Trapido, "The origins of the Cape franchise qualifications", 50-51.
54. A continuity of composition of the two groups is implied in Warren's discussion, ch. VI, passim of "Merchants, municipal commissioners..."
55. Warren, "Merchants, municipal commissioners...", 209, note 84.
56. CCGHBB, 1854; Cape Monitor, 1 Nov. 1850; British Parliamentary Papers, 1362, 137.
57. Murray, South African Reminiscences, 4; Kilpin, Romance of a Colonial Parliament, 134, 157.
58. Kirk, "Self-government and self-defence", 506.
59. Warren, "Merchants, municipal commissioners...", 224, 231-232. Yet still into the later period the privileged circle of the merchant princes, the Jaggers and others, continued to represent a special British-connected elite with unassailable status, the pinnacle of the colony's representatives of capital, with the enviable trappings of visible wealth - during a period of underdeveloped production and few competing wealths - even beyond the mining period - see B. Bozzoli, The Political Nature of a Ruling Class: Capital and Ideology in South Africa 1890-1933 (London 1981), 118 and Marx, Capital, vol. 3, 444.
60. Murray, South African Reminiscences, 4; see also Botha, Fairbairn, 292.
61. Ibid., 66.
62. SACA, 17 Apr. 1856, House of Assembly proceedings; see also Cape of Good Hope Parliament, Votes and Proceedings House of Assembly, 1855; Appendix to Votes and Proceedings House of Assembly, 1855, "Report of Select Committee on Responsible Parliamentary Government 1855".
63. Warren, "Merchants, municipal commissioners...", 255, Appendix H. For local commerce's involvement with farming and slavery, see above, 49-50, 53, 75, 80-81.
64. Kirk, "Self-government and self-defence", 346-347.
65. Trapido, "White conflict and non-white participation", 36.
66. SACA, 20 Sept. 1848, see above, 133; Botha, John Fairbairn, ch. IV passim.
67. SACA, 2 Aug. 1853.; SAL, Manuscripts Collection MSB 193, "John Fairbairn correspondence, etc.", no. 14 - A letter to his son, Jim, where he talks of "wicked wretches" who have set blacks against whites. "They failed to create any violence but a spirit of suspicion and jealousy has been awakened... The Constitution which secures the rights of all classes will reconcile all classes if anything can."
68. Trapido, "The origins of the Cape franchise qualifications", 52; Trapido, "White conflict and non-white participation", 31-36.
69. ZA, 8 May 1851.
70. Ibid., 18 Feb. 1856.
71. A. du Toit and H. Giliomee, Afrikaner Political Thought: Analysis and Documents, 1780-1850 (Cape Town 1983), vol. 1, 27; A. du Toit, "The Cape Afrikaners' failed liberal moment 1850-1870", in J. Butler, R. Elphick and D. Welsh (eds), Democratic Liberalism in South Africa: Its

- History and Prospect (Middletown Connecticut 1987), 41.
72. For example, see SAL, South African Bound Pamphlets (SABP 6), An Englishman, The Cape and its new 'New Constitution' (Grahamstown 1852), 348, "The Englishmen wish to take care of their own concerns", but they do not want Dutchmen to do so for them, which is the danger now impending... The Colonists, as a numerical majority, are not animated by British feelings. They have not acquired that social independence, or political education which Englishmen, of every grade in society, must necessarily obtain in their own country, more or less, during their progress to mental maturity. They were but lately slave owners. Their ideas of liberty of conscience and speech are as contracted as natural ignorance, national jealousy, and a morbid hatred for the British name, can make them."
 73. Du Toit, "The Cape Afrikaners' failed liberal moment", 37-38.
 74. Ibid., 35-63. The editor of the Cape of Good Hope Observer, F.S. Watermeyer (who married Jane Agnes Fairbairn, daughter of John Fairbairn, during the events of the Anti-Convict Agitation, had referred to the influence of the revolutionary events in Europe on the Cape - Trapido, "White conflict and non-white participation", 23.
 75. SACA, 6 Apr. 1854, in a special address to the electors of the Western Province and Swellendam in particular. According to Trapido, "White conflict and non-white participation", 382-390 - initially mission stations provided a few examples of seats where the 'coloured' vote was important - it was only towards the end of the 19th century that the black vote was keenly sought after in terms of what has been called electoral arithmetic. On this point, see also P. Lewsen, "Cape liberalism in its terminal phase", in D.C. Hindson (ed), Working Papers in Southern African Studies, vol. 3, 1983, 42.
 76. Kirk, "Self-government and self-defence", 491, 497-499; S. Trapido, "The friends of the natives': merchants, peasants and the political and ideological structure of liberalism at the Cape 1854-1910", in Marks and Atmore (eds), Economy and Society in Pre-Industrial South Africa, 262.
 77. Anderson, "Figures of descent", 136; see also P.J. Cain and A.G. Hopkins, "Gentlemanly capitalism and British expansion overseas: 1. The old colonial system, 1688-1850", Economic History Review, 2nd series, vol. XXXIX, 4, 1986, passim; see below, 26.
 78. Kirk, "Self-government and self-defence", 30-37, 377-381.
 79. Ibid., 496-497.
 80. Ibid., 36-37.
 81. Semmel, The Rise of Free Trade Imperialism, 12-13.
 82. Trapido, "The origins of the Cape franchise qualifications", 38, 52; Trapido, "White conflict and non-white participation", 15, 37-38.
 83. Trapido, "The origins of the Cape franchise qualifications", 38-39; Bickford-Smith, "Commerce, class and ethnicity", 72-73; see above, 150 - ZA, 8 May 1851.
 84. Trapido, "The origins of the Cape franchise qualifications", 52.
 85. Trapido, "White conflict and non-white participation", 457.
 86. Ibid., 27; Trapido, "The friends of the natives'", 262; Trapido, "From paternalism to liberalism", 2. Porter's famous statement at the time was: "I would rather meet the Hottentot at the hustings voting for his representatives, than meet the Hottentot in the wilds with his gun upon his shoulder." - see Trapido, "The origins of the Cape franchise qualifications", 53. See also J.N.C. Marinowitz, "Rural production and labour in the Western Cape 1838 to 1888, with special reference to the wheat growing districts" (PhD, SOAS, University of London, 1985), 79-105.
 87. Trapido, "White conflict and non-white participation", 27.
 88. SACA, 4 May 1853; CGHGG, 3 May 1853.
 89. H.R. Hahlo and E. Kahn, The Union of South Africa: The Development of its Laws and Constitution (London 1960), 54-55; Kilpin, Romance of a Colonial Parliament, 87-88.
 90. For Molteno's role as farming representative, see below, 162-163, 179;

he had been a merchant too, see reference in note 195, ch. 4. It is difficult to know precisely what is meant here by 'capitalist'. What is clear is that such a person was not a professional trader or merchant; though the term probably included businessmen, such as shareholders in companies and banks and private mortgagees and moneylenders.

91. SACA, 6 June 1854.
92. CCGHBB, 1854; E.H. Burrows, Overberg Outspan (Cape Town 1952), 255-257; Almanac, 1854-1855.
93. CCGHBB, 1854; Almanac, 1854-1855; Burrows, Overberg Outspan, 116-141; Warren, "Merchants, municipal commissioners...", 244, Appendix B (Reitz) and 257, Appendix H (Van Breda).
94. Duminy, "The role of Sir Andries Stockenström", 163; Murray, South African Reminiscences, 28; A. Gordon-Brown, Pictorial Africana: A Survey of Old South African Paintings, Drawings and Prints to the End of the Nineteenth Century with a Biographical Dictionary of One Thousand Artists (Cape Town 1975), 236.
95. Le Cordeur, The Politics of Eastern Cape Separatism, 43, 217, 287, for EP merchants and Breitenbach, "The development of the secretaryship to the Government", 108 for Joubert.
96. Marincowitz, "Rural production and labour in the Western Cape", 114.
97. See below, 208, 209.
98. See below, 156-164.
99. ZA, 19 Apr. 1854. The next year saw a return to the old, familiar refrain in editorials: - "So long as the importation of british merchandise remains exclusively in the hands of people who have no stake in the colony, we must not look for improvement in business transactions". The lavish expenditure of this "grandiloquent gentry" was contrasted to earlier times when "they had neither country residences or costly equipages, they did not gamble, treat their friends to hock, claret and champagne and "import sumptuous shop fronts from London." (ZA, 5 July 1855). Blaming the merchants for the copper mining crash that year, the editor declared: "By their [merchants'] losses, imprudently incurred, they have injured not only themselves, but the Colony as a whole, and they owe the community some reparation." (ZA, 11 June 1855).
100. Van Zyl, Kaapse Wyn en Brandewyn, 153-155.
101. Ironically, it was a free trade treaty between Britain and France in 1860 that resulted in the abolition of all remaining favourable tariffs enjoyed by Cape wines in the British export market and provoked once again a crisis in the local wine industry - Van Zyl, Kaapse Wyn en Brandewyn, 156.
102. Van Zyl, Kaapse Wyn en Brandewyn, 201-207.
103. Ibid., 207.
104. Kirk, "The Cape economy", 228-229.
105. Marincowitz, "Rural production and labour in the Western Cape", 23.
106. Ibid., 159.
107. Ibid., 113-114. In 1865 some opposition had been mounted in parliament but unsuccessfully. Western Cape wheat farmers held their first large meeting in 1869 and subsequently there were vociferous demands for protection - Ibid., 209, 242.
108. Ibid., 211, 252-253.
109. Cape of Good Hope Agricultural Society Rules and Regulations, Fifth Annual Report of the Committee (Cape Town 1837); ditto but Sixth Annual Report (1838); Almanac, 1857.
110. Van Zyl, Kaapse Wyn en Brandewyn, 73, 204.
111. H. Giliomee, "The beginnings of Afrikaner nationalism", South African Historical Journal, no. 19, Nov. 1987.
112. The year 1823 had seen the submission of a petition by the Albany settlers directly to the British government - Botha, John Fairbairn, 164.
113. SACA, 21 May 1853.
114. Ibid., 22 Dec. 1853 (Legislative Council elections).

115. Ibid., 5 Jan. 1854. (Legislative Council elections).
116. Ibid., 29 Dec. 1853 (Legislative Council elections).
117. Ibid., 7 Jan. 1854 (Legislative Council elections).
118. Ibid., 13 June, 1854, "To the Electors of Swellendam".
119. Ibid., 22 Apr. 1854.
120. Ibid., 25 Apr. and 13 May 1854. Saul Solomon mentioned the fact of no parties too in his nomination speech - Ibid., 2 May 1854.
121. Marincowitz, "Rural production and labour in the Western Cape", 312.
122. Ibid., 57-63.
123. ZA, 28 Dec. 1848. The ZA's role during the period has been described variously. Botha has seen it as the protector of Afrikaans interests - Botha, "Die rol van Christoffel J. Brand", 88-90. Marincowitz, "Rural production and labour in the Western Cape", 55, has called it the organ of commercial farmers; Kirk in "Self-government and self-defence", 310, the organ of the commercial middle class; and Ross, "The origins of capitalist agriculture", 83, spokesman of the farming community.
124. ZA, 18 Dec. 1848.
125. Ibid., 25 Dec. 1848. In 1851 there was an unsuccessful attempt by the rump Legislative Council to introduce an anti-squatting measure, which even in its draft form resulted in a hitherto unknown depth of rural 'coloured' resistance, reaching right into the heartland of the Western Cape, and leading to the speedy withdrawal of the measure - Marincowitz, "Rural production and labour in the Western Cape", 87-105.
126. ZA, 29 Jan. 1854.
127. SACA, 27 July 1854, House of Assembly proceedings; for discussion of the labour demands of farmers in the period, see also Ross, "The origins of capitalist agriculture", 76-86.
128. ZA, 6 Dec. 1855.
129. See below, 177-180.
130. ZA, 24 Jan. 1856.
131. Ibid., 31 Dec. 1857.
132. Indications of small rumblings of discontent by farmers fearing competition for labour from public works and railways, etc., see SACA, 7 Mar. 1854 and 20 Apr. 1859, where Mr Haupt in the House of Assembly expressed alarm at the railways removing labour from the farms.
133. Act No. 1 of 1855, For Granting Duties of Customs in the Colony of the Cape of Good Hope (Cape Acts).
134. J. Foster, H. Tennant and E.M. Jackson (eds), Statutes of the Cape of Good Hope 1652-1886, (Cape Town 1887), vol. 1; E.M. Jackson (ed), Statutes of the Cape of Good Hope 1652-1905, (Cape Town 1906), vol. IV, Index.
135. SACA, 5 Oct. 1831, 15 June 1836, 29 July 1837.
136. Foster et al (ed), Statutes of the Cape of Good Hope 1652-1886, vol. I.
137. See preamble of Ordinance No. 13 of 1846 (Foster et al (eds), Statutes of the Cape of Good Hope 1652-1886, vol. I); see Deeds of Settlement of the CGH Marine Assurance Co. (Cape Town 1838), EP Bank (Grahamstown 1839), SA Bank (Cape Town 1838), CGH Bank (Cape Town 1837), PE Jetty Co. (Cape Town 1838), CGH Trust and Fire Assurance Co. (Cape Town 1837) in SAL, South African Bound Pamphlets (SABP 6); Deed of Settlement of CGH Steam Navigation Co., SACA 27 July 1836; CA, Notarial Protocols, NCD series, is full of such deeds of settlement drawn up the notaries of Cape Town at this time, see, for example, above, 105-106; finally, see L. Meltzer, "Limited companies and share certificates: commercial developments in Cape society around 1861", Bulletin of the South African Cultural History Museum, no. 4, 1983, 23, 22, figure of a Malmesbury and Cape Town Omnibus Co. share certificate of 1858, which states "established under and by virtue of the Company's Deed of Settlements", compared to 26, figure of an English Brewery Co. Ltd. share certificate (c. 1861), which states "established under the Joint Stock Companies Limited Liability

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- Act, 1861 and under and by virtue of the Company's Deed of Settlement".
138. Banks however continued to be formed under deeds of settlement during the period and were excluded from developments in legislation discussed here. The first commercial bank in South Africa, Ebdon's Cape of Good Hope Bank, had tried to obtain an Ordinance for its establishment in 1836, but unsuccessfully and so it resorted to a trust deed, which became the prototype for subsequent bank formation at the Cape - see Arndt, Banking and Currency Development, 236, 244. The Cape of Good Hope Savings Bank, which was not a proper commercial bank, catering mainly for small depositors, exceptionally obtained an Ordinance governing its establishment, viz. Ordinance No. 86 of 1831, For Establishing and Regulating a New Savings Bank in the Colony of the Cape of Good Hope, amended by Ordinance No. 10 of 1848.
 139. SAAASE - Ordinance No. 6 of 1836, For Incorporating and Establishing the South African Association for the Administration and Settlement of Estates, sections XXVIII-XXVIX, while section XXXVI shows an attempt to introduce the personal non-liability of shareholders: Ordinance No. 10 Of 1837 then limited the duration of the 1836 Ordinance: the attempt at personal liability was not evident in the repeal of these two Ordinances, as represented in Act No. 9 of 1855, For Incorporating the South African Association, section XLV, to sue and be sued. Board of Executors - Ordinance No. 8 of 1839, For Enabling the Board of Executors to Sue and Be Sued in the Name of their Secretary, expired, vide, Act No. 17 of 1859, For Regulating the Affairs of the Board of Executors. CGHT & A Co. - Ordinance No. 11 of 1844, To Enable the Cape of Good Hope Trust & Assurance Co. to be Appointed by that Name as Trustees and Tutors, and to Sue and Be Sued in the Name of their Secretary (Cape Ordinances and Acts).
 140. Cape Acts, 1859-1861.
 141. L.C.B. Gower, Principles of Modern Company Law (London 1957), 32.
 142. Ibid., 36-42.
 143. Ibid., 34, 39, 42; H.A. Shannon, "The coming of general limited liability", in E.M. Carus-Wilson (ed), Essays in Economic History, (London 1963), vol. 1, 369.
 144. Shannon, "The coming of general limited liability", 371-372.
 145. Ibid., 368-372; Gower, Principles of Modern Company Law, 41.
 146. Gower, Principles of Modern Company Law, 46-48.
 147. Ibid., 42, 48-50.
 148. Hahlo and Kahn, The Union of South Africa, 18-19.
 149. Cape Acts, 1861; J.W. Wessels, History of the Roman-Dutch Law (Grahamstown 1908), 659.
 150. Murray, South African Reminiscences, 17; Smalberger, Aspects of the History of Copper Mining, 47-48.
 151. SACA, 23 Feb. 1856, 15 Mar. 1856; Almanac, 1855.
 152. Ibid., 2 Sept. 1856, 19 Feb. 1857, 3 Sept. 1857.
 153. Ibid., 19 June 1856, 5 July 1856, 23 Dec. 1856, 17 Feb. 1857.
 154. Ibid., 2 Mar. 1858.
 155. Meltzer, "Limited companies and share certificates", 21-23.
 156. SACA, 26 Jan. 1858; see above, 110.
 157. Cape Argus, 1 June 1861 (editorial and report of parliamentary proceedings on same day).
 158. See above, 122-123.
 159. See below, 199.
 160. See above, 138-139.
 161. For his popularity with the Commercial Exchange and merchants, see above, 35-37, 50, 108, and his unpopularity with farmers, 44, 138; Botha, John Fairbairn, ch. IV and V, passim, for Fairbairn's unpopularity in the Eastern Province.
 162. Murray, South African Reminiscences, 3-4, 13.
 163. Burrows, Overberg Outspan, 116-141, 198-228.
 164. SACA, 31 Jan. 1854.
 165. Ibid., 9 Feb. 1854.

166. See above, 36-38, and below, 209-212.
167. See below, 212-213.
168. SACA, 22 Mar. 1826. Botha, John Fairbairn, 35, relates that Fairbairn was scornful of his partner, George Greig, whom he described as terrified of certain merchants of Cape Town during the 1820s.
169. SACA, 22 Jan. 1831.
170. For discussion see above, 108-109.
171. SACA, 16 Oct. 1839.
172. Ibid., 2 Nov. 1839, Legislative Council proceedings.
173. Ibid., 9 and 12 Oct. 1839.
174. SACA, 1 Apr. 1856, House of Assembly proceedings.
175. Ibid., 27 Apr. 1858, House of Assembly proceedings.
176. Ibid., 4 May 1858.
177. See above, 109.
178. SACA, 28 May 1859, House of Assembly proceedings.
179. Ibid., 8 May 1858, House of Assembly proceedings.
180. Ibid.
181. Saul Solomon had introduced a motion in the House of Assembly regarding the expedition against the Xhosa chief, Sarili (Kreli). The motion criticizing the role of the frontier police beyond colonial boundaries, was vehemently opposed by most of the members of the Assembly, including Fairbairn, who rejected it mainly on the grounds that it amounted to a vote of censure against the Governor, Sir George Grey - SACA, 1 and 4 May 1858.
182. Trapido, "Friends of the natives", 247-248.
183. Ibid., 251-264. For criticism of the division between a macro and micro-tradition, see Lewsen, "Cape liberalism in its terminal phase", 35-36.
184. C. Bundy, The Rise and Fall of a South African Peasantry (Berkeley 1979), 59, 74-83 - for the destruction of the peasantry, see 109-145.
185. Trapido, "Friends of the natives", 263.
186. Ibid., 264-265.
187. Ibid., 265.
188. Ibid., 267.
189. Ibid., 251-252.
190. SACA, 14 Feb. 1829 and 22 Jan. 1840.
191. Ibid., 1 May 1855.
192. Ibid., 5 Apr. 1856, House of Assembly proceedings. Marincowitz, "Rural production and labour in the Western Cape", 128, has stated that so efficacious was the 1856 law that it had not to be replaced for another hundred years.
193. Almanac, 1860 - share and general broker, house, estate and commission agent and director of the Cape Commercial Bank. See SACA, Aug.-Oct. 1860, for his opinions re the imminent arrival of the new Imperial bank, acting as protector of local banking interests.
194. SACA, 9 Apr. 1859, House of Assembly proceedings.
195. Ibid.; Dictionary of South African Biography, vol. II (Cape Town 1972), 482-485.
196. SACA, 9 Apr. 1859.
197. Marincowitz, "Rural production and labour in the Western Cape", 312; see below, 206-207, 209.
198. For Saul Solomon's commercial activities, see his shareholding in a copper mining company, above, 169; Henry Solomon (Saul's brother) and a Solomon (no initial) shareholders in the Natal Joint Stock Co. (SACA, 6 Mar. 1847; Saul Solomon and Fairbairn in a water company which never got off the ground (SACA, 22 and 29 May 1847); Saul Solomon eligible for directorship of the SA Bank (SACA, 28 Jan. 1860); his ownership of a big steam printing and publishing firm and owner of the Argus after Oct. 1863 (W.E.G. Solomon, Saul Solomon: the Member for Cape Town (Cape Town 1948), 14, 64); Fairbairn was chairman and director of the Mutual 1845-1850, 1853-1864 and Solomon director 1857-1884 and chairman 1873-1884 (R. van Selm, History of the South African Mutual Life Assurance Society 1845-1945 (Cape Town

- 1945)); SAL, MSB 193, "John Fairbairn correspondence, etc.", item 18, a letter from Eagle Insurance Co., London, indicating Fairbairn's share in the company, 1862.
199. SACA, 9 Sept. 1854, House of Assembly proceedings; see report of previous proceedings 7 Sept. 1854.
 200. SACA, 30 June 1857, House of Assembly, Governor's speech. E.M. Jackson (ed), Statutes of the Cape of Good Hope 1652-1905, vol. IV, Index.
 201. Bundy, The Rise and Fall of the South African Peasantry, 49-52.
 202. SACA, 14 Apr. 1857; 14 July 1857 Fairbairn expresses some hesitancy in regard to Grey's expansionist policy.
 203. Ibid., 2 May 1857, 16 June 1857, House of Assembly proceedings.
 204. Ibid., 16 June 1857, House of Assembly proceedings. Interesting here is the role of the Upper House in moderating the labour ambitions of the MPs in the Lower House.
 205. SACA, 23 June 1857.
 206. Ibid., 18 and 27 June 1857, House of Assembly proceedings.
 207. ZA, 23 Nov. 1857.
 208. Ibid., 21 Aug. 1857.
 209. S.B. Greenberg, Race and State in Capitalist Development: South Africa in Comparative Perspective (Johannesburg 1980), 53.
 210. SACA, 20 Aug. 1857.
 211. Ibid., 29 Aug. 1857.
 212. Botha, John Fairbairn, ch. IV and V, passim.
 213. SACA, 25 Aug. 1841.
 214. Ibid., 14 Sept. 1844.
 215. Ibid., 23 June 1857 - quoted earlier, see above, 181-182.
 216. Ibid., 29 May 1841.
 217. Ibid., 13 Dec. 1851.
 218. Ibid., 2 Jan. 1847.
 219. Ibid., 6 Feb. 1855.
 220. Ibid., 28 Aug. 1852.
 221. Lewsen, "Cape liberalism in its terminal phase", 34-35.
 222. Ibid.
 223. SACA, 2 May 1854.
 224. Kay, Development and Underdevelopment, 94-95.
 225. See above, 175-177.
 226. Kay, Development and Underdevelopment, 95.

CONCLUSION

Commercial expansion 1835-1859

Commercial growth at the Cape had been severely curtailed under the Dutch mercantilist regime of the 17th and 18th centuries and only slowly improved during the early period of British rule, viz. the first three decades of the 19th century. Local production and shipping gradually expanded as the colony was integrated into the trade-dominated network of the British empire. (Chapter One)

During the late 1830s emancipation and the arrival of the slave compensation money contributed to a quickened economic tempo. The freeing of slave labour resulted in an increased market orientation of daily life and provided a great impetus to commodity production. The first economic boom of the period under discussion occurred during those years. It assumed the forms of increased trade, expansion in the money supply and a fall in the rate of interest, a rise in property prices, the establishment of new companies and finally, and not least of all, an increase in the size of the commercial bourgeoisie itself. (Chapter Two) While an increasing supply of money, as a result of the compensation awards, certainly fuelled the rise in property values, emancipation itself may have provided a further stimulus. The release at the Cape of the slaves was perhaps a factor in the accelerated subdivision of existing large erven, a phenomenon evident in newspaper advertisements of the late 1830s. (Chapter Two) The loss of slaves, it may be speculated, resulted in the ownership of larger erven, formerly worked by slaves, becoming an unviable financial proposition. The boom in the wake of emancipation seems largely to have been the result of a chain reaction within the economy, set in motion as a result of the freeing of labour. As the Genoveses have stated in relation to the slave-owning American South:

The South had a plantation economy embedded in a world market, but it also had a huge subsistence sector that severely circumscribed the penetration of market relations into the regional economy as a whole. The South, in other words, may be said to have had a market economy only in a very restricted sense. And it did not have a market

society. At the roots of the restrictions on a regional market economy and of the absence of a market society lay the absence of a market in labor power. (1)

While hesitating to put forward a causal relation, it is interesting in this regard that it was in the Eastern Province, where slave relations of production were outlawed and pre-capitalist forms of production not entrenched, that capitalist agriculture first took off on a large scale.

It was, however, the expansion of colonial wool farming after 1846 which provided the greatest single boost to the Cape economy. On the basis of the growth of this export commodity, significant agricultural and commercial fortunes were amassed, both in the Eastern and in the Western Provinces. Internal trade, the export trade in wool and in other local agricultural goods and the import of mainly British manufactures and processed goods, in the course of a generally expansionary period, ensured the expansion of the commercial bourgeoisie on a scale as never before. It was mainly the pooling of trading capital which produced the mushrooming of joint-stock companies in the period. The names of many merchants as shareholders and directors in these companies and the re-occurrence of these same names in the form of interlocking directorships, are proof of the commercial base of the new companies. (Chapter Three)

The radical changes set in motion after the 1870s mineral discoveries should not obscure the fact that substantial capitalist advance had nevertheless been made in the preceding period. Mabin, taking up Turrell, has stressed the importance of pre-mining economic growth. He maintains that historians have tended to ignore the general accumulation of wealth in the colony as a factor in the growth of capital concentration and accumulation on the diamond mines. (2) Long-established Cape merchants, such as William George Anderson, became diamond company shareholders, while others such as the De Pass brothers and the Mosenthals, were involved in diamond marketing. (3) Bozzoli has also indicated a continuity in discussing the fundamental transformation of South African society by the gold

mining industry. She has argued that diamond mining merely "disrupted" the existing Cape economy and thus was incorporated into the existing mercantile Cape economy, whereas the Rand gold mining industry involved an essentially revolutionary restructuring of society. (4) Capital concentration and entrepreneurship were thus important achievements of the pre-mining era.

The developing maturity of local agriculture and a locally-based commerce found its reflection in the determined move for self-government by these groups after 1848, leading eventually to the establishment of representative government in 1854. The new parliament gave precise reflection to local economic strengths, viz. the two great sectors of the colonial bourgeoisie, agriculture and commerce, within the constraints of a system of colonial administration. (Chapter Four) A partially locally-run parliament resulted in significant advances in legislation passed by the first parliament (1854-1859), which strengthened the infrastructure of the colonial state. Some measures formed the prelude to later important legislation, such as the Joint Stock Companies Limited Liability Act of 1861. Cape company legislation developed at this time was significant in laying the groundwork for all company law in South Africa. The Transvaal in turn took its Law No. 5 of 1874 from the Cape Act of 1861. (5) At the Cape it was only in 1892 that the old Act of 1861 was repealed in terms of the Companies Act, No. 25 of 1892 and this in turn, after Union, by the Companies Act of 1926. (6) The legal infrastructure for rapid company growth in South Africa during a subsequent period had thus been created during the decades around the mid-century. (7) In general, with the greater control by local class forces after 1854, legislative measures in the sphere of free trade, labour and companies were thus passed and an economic infrastructure, a parliament and a legal framework were created as powerful ingredients for later developments, against a background of expansion of agriculture and trade and the growth of local companies and financial institutions. (Chapters Three and Four)

The successful Supreme Court ruling on 'usury' in 1860 marked a significant victory for merchant capital at the expense of agricultural capital. Adherence to the idea of a usury law at the Cape, as elsewhere, was clearly viewed as being in the vested interests of the landed class, opposed to the commercial and/or manufacturing classes. The lines were indeed clearly drawn. Thus, in 1839 opposing petitions were submitted on the usury issue at the Cape. One was forwarded by "650 Agriculturalists, Landowners and Tradesmen", while an opposing memorial to lift the interest limit, was presented by the merchants of the Commercial Exchange. (8) The solution of the usury question in 1860 also proved a deciding factor in the decision to found South Africa's first Imperial bank. (9) In two important respects, therefore, legislative and legal changes were accomplished at the Cape between 1860 and 1861, a direct result of preceding pressures and events, which in theory at least paved the way for potential overseas company investors to enter the Cape capital market on more favourable terms.

Yet, the scale of economic advance in the period was noteworthy in colonial terms only. The limited nature of local capital accumulation is reflected in figures showing comparative capitalization of Cape and British companies. (10) The inadequacy of local capital accumulation was brought home in the welcome given news of the arrival of overseas banking capital, in the form of the London and South African Bank in 1860. (11) Overseas capital investment at the Cape before 1861 continued to remain marginal, which was not especially surprising when seen within the context of overseas patterns of capital investment. Its main role was confined to the sphere of short-term commercial credit. (12) The little there was of overseas investment in Cape companies was confined to family and partners of a small number of members of the London-based Cape of Good Hope Trade Society. The British-connected merchant at the Cape and his family and correspondents resident in London, both centred on the Cape of Good Hope

Trade Society, were important shareholders in the Cape's first commercial bank, the Cape of Good Hope Bank. (1837) The same few names crop up again in a few other shipping and insurance companies, a particular domain of English merchants. Finally, these men proved an interesting bridge between local and overseas capitalists in the two successful companies floated in London for business at the Cape, as well as in the few failed overseas attempts. (13)

The contradictory nature of merchant capital and its implications for the role of the commercial bourgeoisie in the Cape

Merchant capital's role in market expansion, its stimulus to commodity production, capital accumulation, company formation and the development of financial and entrepreneurial skills have been discussed throughout this thesis. (14) The crucial early role of merchant capital, viz. its solvent effect on pre-capitalist and subsistence-orientated economies - its necessity as a condition of capitalist development in general - underlies this argument.

Thus there is no problem at all in understanding why commercial capital appears as the historic form of capital long before capital has subjected production itself to its sway. Its existence, and its development to a certain level, is itself an historical precondition for the development of the capitalist mode of production (1) as precondition for the concentration of monetary wealth, and (2) because the capitalist mode of production presupposes production for trade, wholesale outlet rather than supply to the individual client, so that a merchant does not buy simply to satisfy his own personal needs, but rather concentrates in his act of purchase the purchase of many. On the other hand, every development in commercial capital gives production a character orientated ever more to exchange value, transforming products more and more into commodities. (15)

The description "light cavalry of capitalism" has been applied to the role of the international commercial bourgeoisie as an agent of free trade in the first half of the 19th century. (16) Merchant capital's promotion of a free trade ideology and its pursuit of free trade practices at this time was a particularly suitable agency for the spreading of capitalist market structures throughout the world. However, the fact that propagation of these same policies by commerce in a later period, had reactionary implications for the growth of the South African economy leads directly on

to the problem of what appears to be the inherently contradictory and dependent nature of merchant capital. Bozzoli has vividly recounted the reactionary role played by the entrenched import-export merchant elite during the early 20th century in their powerfully-voiced opposition to the introduction of policies aimed at protection of fledgling South African secondary industry. As a result of this opposition to local manufacture, she has described their role as instigating patterns of economic underdevelopment and undermining manufacture, whose representatives she equates with a national bourgeoisie. (17) Yet, she indicates, simultaneously, by the end of World War 1 the merchant elite, previously spokesmen par excellence of free trade in opposition to manufacture, were forced to reverse their stand in the face of the growth in strength of manufacture, and to support the latter's call for protection. (18) Merchant capital's allegiance had shifted over to the side of manufacture, revealing their chronically dependent nature. To describe this dependent nature of merchant capital, the Genoveses evolved the description of the so-called "Janus face of merchant capital". (19)

Such understandings of merchant capital in turn owe much to Marx's seminal analysis. This explained that merchant capital's main function because of its trading nature, was confined to the sphere of circulation. It had no basis in production. Merchant capital was therefore able to mediate between different forms of production, though there were occasions when its conservative bias resisted the establishment of new patterns of trade and older modes of production being replaced. (20) In the 20th century South African context this would explain import-export capital's initial vociferous opposition to protectionism in South Africa and its upholding of established free trade policies.

The present discussion necessitated reference to similar problems, including one touched on by the Genoveses' already-mentioned study of slavery in the American South. The question that emerged was to what extent commerce

at the Cape involved itself with pre-capitalist forms of slave property. This study found that Dutch/Afrikaans wine merchants (as well as auctioneers and retailers) formed a grouping within the commercial bourgeoisie which was generally more heavily involved than the rest of the commercial sector in mortgages based on slaves. Similarly, a pattern of slave mortgage was apparent in the wine merchant sector as a whole, i.e. including English merchants. Perhaps the reason for wine-based, particularly Dutch/Afrikaans commerce's involvement was its closer organic connections with a slave-based agriculture. More generally, it might be speculated that this connection with slave owners gave the Dutch/Afrikaans commercial bourgeoisie a special colouring and constituted an important factor in its early development. (21) Nonetheless, the commercial sector generally (including the English), was not adverse to lending money on the basis of slave property. As a group it certainly participated in such transactions, though it was not heavily involved. (22) The ability of merchant capital to intervene simultaneously both in new and old forms of property relations was, therefore, apparent at the Cape. But, evident in Fairbairn's editorials was commerce's overriding concern with the question of adequate compensation, as fellow property owners, rather than as active campaigners for the preservation of the institution of slavery. (23)

Interestingly, this concern by men of commerce with slaves as a form of property to be protected in the eyes of the law, was evinced during the proceedings of a court case held in Cape Town in the 1820s. G. Anderson, a Cape Town merchant, was attempting to prevent the manumission of a slave woman he had gained possession of through marriage. Steyntje, the woman, hoped to obtain her right of manumission by proving that she had lived with and had had a child by a previous white master. During the court case, Anderson made the following statement:

The first and chief cause of the formation of every social union, under whatever government it may be, is to secure the preservation and protection of private property. No social right is therefore more sacred, and lays a stronger claim to the protection of every judge or magistrate, than this right of property and dominion, over whatever

each private individual has legally acquired and preserved as his according to the existing laws of the community he lives in. If, therefore, a person living in a country where slavery is still tolerated, be in the legal possession of a slave, he is to be maintained in that possession as much and as strongly as in that of any other species of property whatsoever. This is just, reasonable, and humane, as we well maintain against those false advocates for humanity, who, either through affectation, or too much sensibility, launch out into such high sounding phrases, with so little of calm and sound reasoning in them, and who continually call in the favor to be shewn to the cause of liberty, contrary to the most approved principles of law and justice. (24)

The second aspect of merchant capital's ambiguous role was in relation to the import-export sector. The British economic connection was crucial and remained the material basis for the import-export sector in particular, resulting in the growth of dependent arrangements of overseas credit. (25) In establishing such trade and credit patterns, conditions were created for easier access to the colonial economy by overseas capital once it appeared on the scene, in the wake of investment in public works and mining. Yet, this was an important aspect of the process of the periphery's gradual inclusion into the orbit of the metropolis and the creation of a capitalist world economy, with the attendant underdevelopment of the former on the terms of the latter. (26)

The nature of this British-connected import-export elite can be elucidated again by reference to the growth by the mid-19th century of a cosmopolitan bourgeoisie trading internationally under British naval protection. Positioned at the interstices of regional, semi-autonomous and the metropolitan economies, such a group remained the most ambiguous in terms of nationality. (27) Political conflicts arising from what Jones has termed the *déraciné* nature of this commercial sector, were reflected at the Cape during the Anti-Convict Agitation and the fight for self-government, when the British-connected merchant elite assumed a pro-colonial government stance and led a fight for an exclusive property franchise. (28) Jones has sketched a similar situation of conflict which existed in Argentina in the early 19th century. Federalists (merchant-landowners) criticized the denationalized city elites, allied with newly

arrived overseas merchants. The former contrasted their own 'authenticity' and familiarity with rural life, as opposed to Unitario intellectuals who stressed unobstructed international trade and investment. (29) This same 'false' nature of a British-connected commerce at the Cape was underlined by the Zuid-Afrikaan, the newspaper which claimed the special support of the Dutch/Afrikaans farmers in the Western Cape. In 1855 the editor declared: "So long as the importation of british merchandise remains exclusively in the hands of people who have no stake in the colony, we must not look for improvement in business transactions." (30) The claim to rural authenticity was carried over by Fairbairn in his reconciliatory editorials in the Advertiser, in his glorification of the slow but steady contributions of the Dutch/Afrikaans landowners and his plea for commerce to identify with the land. (31)

The dependent nature of merchant capital at the Cape in the period is also revealed in the context of its role vis a vis agriculture. The beginning of this study witnessed unorganized and politically inexperienced commercial and agricultural groups. The merchants were the first to remedy this with their own organization, the Commercial Exchange. (32) But there was considerable hostility between the English, connected to the new and alien government, typified by their commerce and the English-orientated Commercial Exchange, on the one hand, and the mainly Dutch-Afrikaans landowners, on the other. The antagonism to Fairbairn during the period of slave emancipation were partly a reflection of this. (33) The 1840s, however, gave way to a growing accord and reconciliation between the agricultural sector and a newly-emerging, more locally-based commerce in the Western Cape. It was a process greatly facilitated by Fairbairn's intervention. (34) The accord took the form of a loose political alliance between these two sectors of the local bourgeoisie in the events leading to the grant of self-government based on a low franchise. Farmers on the one hand and liberal intellectuals like Fairbairn and representatives of commerce on the other hand, formed strange bedfellows in the 'popular' struggle for a low fran-

chise. Yet, the emphasis of these groups, it was shown, fell differently. Fairbairn, Porter and a number of Dutch/Afrikaans intellectuals shared some concern for the incorporation of 'coloured' voters and thus a more genuine commitment to a non-racial franchise. Many Dutch/Afrikaans colonists, however, hoped to wrest political power from the English element by means of the low franchise, which would work to the advantage of the majority Dutch/Afrikaans element. The alliance was facilitated by the general enthusiasm for the workings of the first parliament. It was feasible, furthermore, because of the generally expansionary economy and the consequent reduced competition and conflict over labour and credit. (35)

The accord was subsequently strengthened (albeit temporarily) in the first parliament by the commercial bourgeoisie's lack of opposition to the measure introduced in 1856, enforcing stricter legislative control by farmers of labour. (36) Merchant capital's dependency was reflected by the unsuccessful opposition mounted by commercial interests to this Master and Servant Law of 1856 and also by its failings within the Cape parliament, with regard to the Usury Bill. On the question of the latter, it was the Supreme Court which made the final ruling to legalize a higher than 6% interest on bills of exchange and promissory notes, mainly because commercial interests in parliament failed consistently in their attempts at appropriate legislation to lift the interest rate restrictions. (37) Despite the numerical strength of commercial interests in the new parliament (38), landowning interests were able to achieve these successive victories.

Cape Town commercial interests' attempt to prevent the passing and the Master and Servant Law, reflected their ability to harass the farmers, the sector that controlled most production at the Cape. Their limitations were revealed, however, in their inability to prevent the passing of the Master and Servant Law and to obtain legislative clarity on the usury issue. Giliomee has thus rightly concluded: "Merchant capital was steadily extending its economic control and with it British cultural influence but it

was not necessarily a revolutionary influence. It did not aim at transforming productive relations and tended to form alliances or act as political spokesmen for the dominant class in the rural areas." (39)

The overall assessment of dependency should not, however, obscure the fact of merchant capital's achievements in the sphere of market and commodity expansion, in laying the general basis for capitalist market relations. Its important role in the period of the Anti-Convict Agitation and the subsequent fight for a constitution based on a low, non-racial franchise, also cannot be ignored. (40) Although ultimately unsuccessful, commerce had attempted to oppose the rapid and harsh proletarianization demanded by the farmers in the form of the Master and Servant Law. This type of intervention has in fact been traced by other authors, such as Colin Bundy, describing the rise and fall of a peasantry in the Eastern Cape from the 1870s to 1890s. As Bozzoli has remarked in regard to the changes set in motion by mining capital in its attempt to establish control of the economy at the end of the 19th century: "... there were other mercantile imperialist forms which mining opposed vigorously. For example, it denounced the extent to which African peasants had been allowed to develop in the late nineteenth century, and rejected the Cape liberal ideology accompanying this development." (41)

Finally, linked to the question of the somewhat more liberal nature of merchant capital, are questions of class and race in Cape Town society. Bickford-Smith, tracing the growth of ethnic differences, rather than class distinctions in Cape Town during the later years of the 19th century, makes the point that the city's domination by merchant capital, in the form of large mercantile firms, before the 1880s/1890s, determined that Cape Town's ruling bourgeoisie had no immediate interest in making ethnic distinctions. Such distinctions became of increasing significance towards the turn of the century when the Mineral Revolution fuelled changes in the city's economic activity and demographic composition. (42)

The heyday of the commercial bourgeoisie's alliance with landowning interests, however, did not last much beyond the first parliament. Drought, depression, the ensuing heavy mortgaging of farm property, dumping of overseas goods and the consequent movement for farmers' protection which began in the 1870s, led in turn to Afrikaans ethnic-inspired movements during the 1880s. (43) Along with these local developments, the extent of merchant capital's role was curtailed by the advent of overseas railway and mining capital to South Africa, in the wake of new public works and the discovery of minerals, more especially gold. This capital, raised mainly on the London Stock Market and independently of local commercial interests and their overseas connections (44), limited commerce's position of strength in the context of the South African economy as a whole. Also, during the the mid-century the introduction in Britain of limited liability for shareholders in joint-stock companies opened the doors for British overseas investment and gave metropolitan shareholders greater independence of action at the expense of local shareholders. (45) The marginalisation of commerce and the import-export sector in particular is best understood against the background of the reversal of fortunes of the commercial bourgeoisie trading internationally during changes leading towards the age of imperialism, a result of growing economies of scale, technological improvements, business integration and a general move towards monopolization. (46) Thus local and international developments had led by the 1870s and 1880s to a relative erosion of the component of local commerce both within the ruling alliance and in the economy in general. Despite this decline, however, import-export's function as a pivot between the imperial and the local economy continued, within the context of what Bozzoli and others have described as the hegemony of a British mercantile imperialism. Indeed, Bickford-Smith has traced the renewed growth in local power in Cape Town of large English merchants in the later decades of the 19th century, evidenced in the emergence of the Clean Party and in that group's take-over of the municipality. This was clearly in contrast to

developments in the period discussed here, when the municipality had operated as a base for the newly-emerging, locally-based, Dutch/Afrikaans commercial, property-owning and professional bourgeoisie. (47)

Merchant capital's contradictory tendencies were evident in the ambiguous position of Fairbairn, himself. His alliance with agriculture, symbolized by his election as MLA for the rural constituency of Swellendam, was partly a reflection of commerce's dependent position, though his own ambitions for a united English and Dutch/Afrikaans ruling class had moulded his agitation for reconciliation between the English and the Dutch/Afrikaans from early on. (48) The pressures exerted on him by his constituency with regard to the usury issue was evident in the reversal of his stand in favour of the landed interests. (49) Against this background must be weighed the objective strength of Fairbairn's vanguard role for commerce through the medium of the Advertiser. In no one were both the strengths and weaknesses of merchant capital better reflected than in Fairbairn. It remains finally to sum up his commercial role.

Fairbairn's commercial role

A "waveless calm, that slumber of the dead" was how Fairbairn once described life in Cape Town during the 1820s. "It existed, moved or stood still, without friction, noise or perceptible vibration." (50) But "the sleepy hollow" (51) had by 1859 undergone steady and significant economic advance. Fairbairn had intervened as a leading agent in arousing the town from its slumber - propelling, guiding and advising its inhabitants through a period of till then unprecedented commercial and agricultural growth. He had assumed the task of promoting the men of the Commercial Exchange and their London connections in the period when they could claim to be the main and certainly the most self-conscious section of the commercial bourgeoisie. In this context he had added his vocal opposition to the fight against the mercantilist privileges of the English East India Company and fought then, and subsequently, for the rights of free trade. (52)

He had enthusiastically campaigned to convince the colony's slave-owning farmers of the importance and benefits of slave emancipation, governed by adequate compensation awards - an historical requisite for subsequent commercial and, indeed, capitalist expansion at the Cape. (53)

Overseas developments provide the context for the struggles conducted by Fairbairn and the merchants of the Commercial Exchange. Throughout his editorship, Fairbairn steadfastly espoused the cause of free trade, whether against mercantilist monopoly, unfairly heavy market dues exacted by the Cape Town municipality on farm produce, or restrictions on the interest rate payable on bills of exchange. (54) He kept up a barrage of reporting during the struggle in Britain leading to the repeal of the Corn Laws in 1846, and in this period showed himself to be sympathetic to the Whigs and an unhesitating supporter of the free trade champion, Robert Peel. In 1846 Fairbairn declared joyfully, and with a touch of Scottish patriotism, at the time of the success of Peel's Anti-Corn Laws campaign and the victory of free trade:

This speech [Lord Morpeth's] and Sir Robert Peel's two speeches at the commencement of the Session, would form a most worthy appendix to the next edition of Smith's Wealth of Nations. 'Scotch Philosophy' has at last triumphed, and its triumph in Great Britain will be celebrated in every region of the civilized world. Its genius is the spirit of brotherly kindness, of friendly intercourse, of mutual help. It causes every nation to rejoice in the prosperity of its neighbours. Envy never assails an enlightened merchant. He loves a rich customer, an unquestionable correspondent, and ready returns. The artisan in Birmingham feels a lively pleasure in hearing that the peasants in Poland have reaped a good harvest, and that the seasons have been favorable in the Far West of Amercia. In these facts he discerns an extending market for his wares, and more daily bread for his children and poorer neighbours. The 'Scotch Philosophy' is the Spirit of Peace. It tends to convert all mankind into the ready-money

customers of each other, - a sort of people always welcomed with a smile and dismissed with kind wishes. (55)

Fairbairn identified with this group of free traders as representatives of progressive merchants and manufacturers, opposed to the Tory landowning aristocracy. In the struggle of the "Land versus the Loom", he informed readers, the latter represented "industry, intellect and moving capital." (56)

Jones has highlighted the essential significance of the policy of free trade as advocated by the Radical, Richard Cobden and others. The ultimate result of a free trade victory, he argues, was the strengthening of the bourgeoisie as a class, at the expense of the aristocracy. Free trade entailed the destruction of state monopoly, privileged merchants and the altering of the high prices traditionally enjoyed by the landed interests. Reduction in import revenue which had frequently been devoted to financing the army, also challenged the rule of the Tory military caste. (57) It is illuminating that opposition forces in Britain employed the rhetoric of slave emancipation "as models for their assault upon the Corn Laws". (58) Overseas trends found their local reflection in policies advocated by men such as Fairbairn, who may have seen free trade as a prerequisite for the continued growth of the tiny colonial middle class and who campaigned for slave emancipation (with compensation) in order to further advance this growth.

Fairbairn also encouraged a local orientation for the merchant elite and kept a close watch on the newly-emerging, locally-based commercial bourgeoisie, offering advice where he could, during its first experience of boom and joint-stock company fever in the wake of emancipation. (59) He campaigned hard over the years for the formation of companies, banks and insurance houses, encouraging and alternatively threatening when ventures appeared on the brink of failure. He continually advanced and legitimised

the principle of a joint-stock company, a major advance in the potential growth of capital accumulation. (60) He simultaneously never ceased to praise and encourage agriculture, especially the great improvements witnessed in merino sheep farming after 1846 (61), while the promotion of transport and an economic infrastructure - roads, railways and harbours - remained a constant topic, if not one of the most common threads of his editorial discussion in the Advertiser.

Yet, up to this point discussion of Fairbairn as 'organic intellectual' of the commercial bourgeoisie has been avoided, though there is much in this concept that is of relevance when identifying the guiding role played by Fairbairn in the early growth of Cape Town commerce. "Every social class", declared Gramsci, "coming into existence on the original basis of an essential function in the world of economic production, creates with itself, organically, one or more groups of intellectuals who give it homogeneity and consciousness of its function not only in the economic fields but in the social and political field as well..." (62) Fairbairn, it was shown, certainly identified topics and initiated and/or supported campaigns which were directed towards the economic, social and political growth and mobilization of commerce. He suggested strategies and gave advice with regard to joint-stock company structures, slave compensation awards and even a new constitution. However, describing him as an organic intellectual is maybe stretching the tolerance of this concept for he was careful never to take up the cause of commerce at the expense of agriculture. (63) To some extent the ambiguities of merchant capital may itself have circumscribed his actions, preventing him from conducting a factious policy aimed at support of one capital against another. However, there were other political motives, which cannot be simply equated with the exigencies of merchant capital. His views on reconciliation between the English and the Dutch, town and country and commerce and farming reflect a situation in which capitalism itself, rather than a particular capital, was struggling to take root. It was entirely different to the period of South African

history sketched by Bozzoli at the turn of the century, when space had been created for organic intellectuals to mount platforms in defence of their specific capitals. Whether mining, commerce or manufacture, these capitals vied for dominance in an already established capitalist framework. (64) But in the broader sense as proponent of middle class unity at the Cape and the establishment of the roots of capitalist social relations, Fairbairn undoubtedly did perform the role of organic intellectual. Nor did he hide this orientation, which he in no way saw as an obstacle to reconciliation and unification of the two main sectors of the white ruling class, viz. commerce and farming.

Hesitating to apply the term organic intellectual of the commercial bourgeoisie to Fairbairn, however, does not imply an underrating of his contribution to the cause of commerce at the Cape. It reflects rather on material conditions at the Cape. His opinions and the powerful medium of a newspaper such as the Advertiser appear to fight against the restraints placed here on his full identification as commerce's organic intellectual. The Advertiser's readership, it must be remembered, was essentially an urban, commercial or commercially-linked professional one. Fairbairn's commitment to the advance of commerce was evinced in the continuing title of his newspaper, the 'Commercial' Advertiser. Its existence was inextricably interwoven with commercial developments, not only in Fairbairn's editorials, but in a host of published reports and statistics relating to commercial matters. Fairbairn's own shareholding and company directorship, though not substantial, only served to further cement the material basis of his commercial interests. (65)

Objectively too, there were reasons for Fairbairn's commercial orientation. His sympathies arose from the historical role of commerce. To a man of progressive economic ideas, confronted by an absence of manufacture at the Cape, commerce by default represented the highest possible rung in the progress of capitalist development. Commerce, too, best captured the

entrepreneurial spirit - that desired spirit of the age - so necessary for the upward movement of the middle class. It was most clearly associated with what he praised as "active" or "moving" capital. (66) In his many campaigns to promote commercial expansion, Fairbairn actively facilitated the creation of the historically necessary pre-conditions for the "take-off" of capitalism and commerce in the colony.

Despite the ambiguous effects of his alignment with agriculture after 1848 and Saul Solomon's accusation that he had lived long enough to recant all his principles, Fairbairn had fought long and hard for commerce. In 1860 the editors of the Cape Monthly Magazine paid tribute to Fairbairn on his retirement from the Advertiser:

His history in South Africa is the history of South Africa itself during more than thirty years of his career among us. From his first arrival to the day on which he resigned his position as the leader and veteran of the Cape press, his name stands foremost in connection with every movement and agitation for promoting the improvement and development of this country. (67)

Taking Murray's words quoted earlier and placing them in a specifically commercial context: "he had done a work of a lifetime before the first parliament was convened and had done it well." (68) Fairbairn had dedicated a very substantial part of his life to a struggle for the advance of the Cape economy, the union of its middle class and had made a lasting contribution to the laying of a commercial infrastructure necessary for the progress of capitalism in South Africa. For as long, some three and half decades (1825 to 1859), the Advertiser had proved his most valuable tool.

NOTES

1. Fox-Genovese and Genovese, Fruits of Merchant Capital, 17.
2. Mabin, "The making of colonial capitalism", 166.
3. Warren, "Merchants, municipal commissioners...", 66-68; Bickford-Smith, "Commerce, class and ethnicity", 49.
4. Bozzoli, The Political Nature of a Ruling Class, 28.
5. Wessels, History of the Roman-Dutch Law, 658; Hahlo and Kahn, The Union of South Africa, 20, 23; E. de la Rey, "Aspekte van die vroeë maatskappyereg: 'n vergelykende oorsig", dl. 1, Codicillus, vol. XXVII, May 1986, 15; dl. 2, vol. XXVII, Oct. 1986, 21.
6. Hahlo and Kahn, The Union of South Africa, 20.
7. CA, Limited Companies, LC, Inventory of documents, relating to

registration of limited companies, received from the Deeds Office, "Register of companies under Acts 23/1861 and 25/1892." The number of companies that were registered in terms of the Act began to increase in the period after the mineral discoveries - 10 companies during the 1860s, 30 during the 1870s and some 100 up to 1888 alone.

8. SACA, 30 Oct., 2 Nov. and 6 Nov. 1839.
9. See above, 109.
10. Ibid., 95-96.
11. Ibid., 123.
12. Ibid., 110-112.
13. Ibid., 96-106.
14. Ibid., especially ch. 3.
15. Marx, Capital, vol. 3, 444. Though he insists that commercial capital alone cannot explain the transition to capitalism.
16. Jones, International Business in the Nineteenth Century, 13.
17. Bozzoli, The Political Nature of a Ruling Class, 107, 120.
18. Ibid., 145-149.
19. Fox-Genovese and Genovese, Fruits of Merchant Capital.
20. Marx, Capital, vol. 3, 442-448; Kay, Development and Underdevelopment, 95.
21. See above, 49-50, 53, 80-81, 148.
22. Ibid., 52-54.
23. Ibid. 43-47, 50.
24. SAL, South African Bound Pamphlets, SABP 6, Papers Relating to the Manumission of Steyntje and Her Children (Cape Town 1827), 23.
25. See above, 104, 110-112, 117.
26. I. Wallerstein, "The three stages of African involvement in the world-economy", in P.C.W. Gutkind and I. Wallerstein (eds), Political Economy of Contemporary Africa, (Beverly Hills, 1985), 35-36. On a theoretical level Marx has postulated that when industrial development is still limited and merchant capital by comparison is in a strong position, the profits of merchant capital are higher than when industrial capital has emerged to take full control of production - Marx, Capital, vol. 3, 401. Kay has put it this way: "Merchant capital is trading capital and the surplus value it seizes is used to expand trade not the forces of production. In fact it drains part of the surplus product out of the sphere of production, and the more it develops the more enervating its effects." - Development and Underdevelopment, 95.
27. Jones, International Business in the Nineteenth Century, 13, 197.
28. See above, 143-148.
29. Jones, International Business in the Nineteenth Century, 77-78.
30. ZA, 5 July 1855; above, note 99, ch. 4.
31. See above, 70 - SACA, 28 Sept. 1831 and 133, SACA, 25 May 1850.
32. Ibid., 30-32.
33. Ibid., 44, note 7 and 138.
34. Ibid., 43-46, 132-134.
35. Ibid., 148-151, 156-159; Marincowitz, "Rural production and labour in the Western Cape", 159-160, 207-211, 242 and 249; Giliomee, "The beginnings of Afrikaner nationalism", 134-135.
36. See above, 161-164, 177-180.
37. Ibid., 109, 172-174.
38. Ibid., 154-155.
39. H. Giliomee, "Reinterpreting Afrikaner nationalism", The Societies of Southern Africa in the 19th and 20th Centuries, vol. 13, Collected Seminar Papers, no. 33, Oct. 1982-May 1983, 4, Institute of Commonwealth Studies, University of London.
40. See above, 136, 143-144, 148.
41. Bozzoli, The Political Nature of a Ruling Class, 30; see above, 176.
42. Bickford-Smith, "Commerce, class and ethnicity", 442-444.
43. See above, note 35.
44. Purkis, "The politics, capital and labour of railway building", 9-10.
45. C.A. Jones, "British overseas investment in the later 19th century: Argentina and South Africa", Societies of Southern Africa in the 19th

- and 20th centuries, vol. 8, Collected Seminar Papers, no. 22, Oct. 1976-June 1977, 43-44, Institute of Commonwealth Studies, University of London.
46. Jones, International Business in the Nineteenth Century, 4, 167-169, 197.
 47. Bozzoli, The Political Nature of a Ruling Class, 30; Marks and Trapido, "Politics of race, class and nationalism", in Marks and Trapido (eds), Politics of Race, Class and Nationalism, 3-4; Bickford-Smith, "Commerce, class and ethnicity", 112-149, esp. 128-129.
 48. For example, see above, 133 - SACA, 2 Jan. 1841.
 49. Ibid., 172-174.
 50. SACA, 4 Nov. 1835.
 51. Ibid., 22 Nov. 1843 and 16 Feb. 1854.
 52. See above, 35-38.
 53. Ibid., 43-47, 81-82.
 54. For example an editorial on the advantages of free trade, see SACA, 13 Jan. 1849.
 55. SACA, 18 Apr. 1846.
 56. Ibid., 11 Aug. 1841 - see also 14 Aug. 1841, 25 Sept. 1841, 9 Oct. 1841, 17 Nov. 1841, 23 May 1846 ("The manufacturing and commercial interest", 9 Sept. 1846).
 57. Jones, International Business in the Nineteenth Century, 11-12.
 58. Davis, The Problem of Slavery, 349.
 59. See above, 46-47, 77, 81.
 60. Ibid., 114 - SACA, 15 June 1836.
 61. Ibid., 90 - SACA, 21 Mar. 1846.
 62. A. Gramsci, The Modern Prince and Other Writings (New York 1978), 118.
 63. See above, 172 - SACA, 22 Mar. 1826 and 22 Jan. 1831.
 64. Bozzoli, The Political Nature of a Ruling Class, *passim*.
 65. See above, 180, note 198.
 66. SACA, 11 Nov. 1837 - "... we are beginning to resemble other countries and British colonies in enterprise". See SACA, 11 Aug. 1841, quoted above note 56 and SACA, 20 Sept. 1848, 25 May 1850, quoted above, 133. In March 1837 Fairbairn quoted with approval remarks of an unnamed correspondent: "Albany is the germ of a Yankee settlement. Slavery has not exercised its baneful influence on the people; hence all the young Settlers are full of hope and ambition, and that seems to me to become Traders or Farmers. The force of the English character shows itself in this colony. They are the merchants, holding the foreign trade in their hands. The Retail trade is fast becoming theirs." (8 Mar. 1837) Jones, International Business in the Nineteenth Century, 51, remarks on the more commercial orientation of Scottish schooling.
 67. Cape Monthly Magazine, vol. VII, Jan.-June 1860, 374.
 68. Murray, South African Reminiscences, 13; see above, 141.

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